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CORRUPTION AND CRIME COMMISSION

OF WESTERN AUSTRALIA

ACTING COMMISSIONER SCOTT ELLIS

TRANSCRIPT OF PROCEEDINGS

AT PERTH ON MONDAY, 7 DECEMBER 2020, AT 9.49 AM

COUNSEL:

MS TSE CHEE LOO

MS NADIA PANTANO

WITNESS: GRAEME LEONARD MICHELL

1 **THE ACTING COMMISSIONER:** Please be seated.

2

3 **THE ASSOCIATE:** The Commission is about to conduct a number
4 of examinations for the purposes of an investigation under
5 the Corruption, Crime and Misconduct Act 2003. The scope
6 and purpose of the Commission investigation is to determine
7 whether any current and/or former public officer or officers
8 from Landgate or Department of Communities, and/or its former
9 entities, engaged in serious misconduct by obtaining a
10 benefit for themselves or any other person.

11

12 There is a Commission Practice Direction which prohibits the
13 use of electronic devices in the hearing room while an
14 examination is in session, therefore all mobile phones and
15 tablets must be switched off. Bona fide members of the media
16 and members of the legal profession sitting at the Bench are
17 exempt. Copies of the Practice Direction are available upon
18 request.

19

20 In accordance with the Corruption, Crime and Misconduct Act
21 2003 a suppression order is in place not to publish the names
22 of certain people and any information that might identify
23 them. Contact should be made with the Commission for further
24 information in this regard.

25

26 Compliance with non-publication maintains the integrity of
27 the Commission's work, thus the Commission will view any
28 contravention of these orders by the media and any other
29 person as extremely prejudicial.

30

31 **THE ACTING COMMISSIONER:** On behalf of the Corruption and
32 Crime Commission I acknowledge the traditional owners of the
33 land on which this hearing is being held, the Whadjuk people
34 of the Noongar nation. I pay my respects to the elders past,
35 present and emerging.

36

37 This week's hearing is a hearing in two parts. The first
38 part again involves the conduct of Paul Ronald Whyte. Like
39 the public hearings in November, this week's hearing does
40 not involve the \$22 million he misappropriated or the events
41 the subject of the current charges faced by Mr Whyte.

42

43 The first part of the hearing involves the redevelopment by
44 the Department of land in Roebourne for crucial police
45 accommodation. The redevelopment involved land which had
46 been purchased by associates of Mr Whyte for 440,000 in April
47 2011.

48

49 By January 2013, less than two years later, the purchasers
50 of the property had received almost 1.3 million from the
51 Department. That was a return of almost 300 per cent.

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Investment in land in Roebourne during that period did not generally enjoy the same spectacular returns. At the very best the Department missed out on an opportunity to buy land cheaply; at worst, there was corrupt diversion of funds for housing to underwrite Mr Whyte's gambling.

The first part of these hearings will examine which of those alternatives is close to the truth, amongst other questions.

The second part of the public hearing, which will commence on Thursday, also involves the Department of Housing. Mr Whyte is involved, but only peripherally. It will be the subject of separate opening submissions in due course.

Under the Corruption, Crime and Misconduct Act 2003 the default position is that an examination will be conducted in private. There are good reasons for the Commission to go about its work covertly. It protects the integrity of the investigation. It protects the integrity of the person whose conduct may be subject to investigation.

However, the Commission may exercise a discretion to open an examination to the public if, having weighed the benefits of public exposure and public awareness against the potential for prejudice or privacy infringements, it considers that it is in the public interest to do so.

This investigation is in the public domain. Events in the Department of Housing, as it then was, are a matter of public interest. The Commission has had regard to the potential for prejudice or infringement of privacy, and takes those matters into account when exercising its power under section 140 of the Act.

The conduct of a Commission investigation may involve criminal conduct and those involved may face criminal charges. The publicity associated with the hearing may impact adversely on defence in criminal proceedings. However, the Commission acts on the basis of the evidence before it rather than what may be adduced at trial.

In criminal proceedings a jury would no doubt be warned that only evidence tendered before it is relevant. The Commission does not make findings of criminal liability. The Commission does not apply the criminal standard of proof. And, as I mentioned before, the subject of this hearing is not the subject of pending criminal charges.

1 The Commission is also mindful that these public hearings
2 have the potential to infringe the privacy of witnesses, and
3 weighs that in the balance. I stress that the fact that a
4 person is called to give evidence does not mean that the
5 witness is guilty of a crime or a serious misconduct.

6
7 Many witnesses are called before the Commission whose own
8 conduct is not in question. They may be called because they
9 can assist the Commission by giving information about events,
10 circumstances, systems, procedures, or activities of other
11 persons. The principle of guilt by association should not
12 be applied.

13
14 In this case, the public interest is best served by having
15 this hearing in public. Public awareness and scrutiny may
16 act as a detriment to those who might engage in such conduct
17 and may encourage government to be active in ensuring such
18 conduct does not happen again.

19
20 In addition to the suppression orders already mentioned, I
21 will order that witnesses are not to disclose their evidence
22 or discuss their evidence with any other witness until that
23 witness has completed giving his or her evidence.

24
25 Ms Loo?

26
27 **LOO, MS:** Roebourne is a small town in the North West of
28 Western Australia, about 1500 kilometres north of Perth. It
29 falls within the boundaries of the Ngarluma people. The bed
30 of the Harding River runs through the town, and the
31 surrounding countryside with its rocky escarpments, grassy
32 plains and ochre tones has a beauty unique to the Pilbara
33 Region.

34
35 In 1983, the death of 16-year-old John Peter Pat in a
36 Roebourne police lock-up became the catalyst for the Royal
37 Commission into Aboriginal Deaths in Custody and brought the
38 public's attention to the paucity of amenities in Roebourne
39 and the conditions in the town.

40
41 In 1991, in his report about John Pat's death Commissioner
42 Elliot Johnston QC outlined the devastation of Aboriginal
43 culture in the area, brought on by the expansion of the
44 pastoral industry from the 1860s, large-scale mining from
45 the 1960s, the impact of alcohol and the dislocation of
46 people from the Roebourne Reserve to a State Housing
47 Commission project known as The Village.

48
49 Almost 20 years later, a report by the Department of
50 Indigenous Affairs identified continuing social issues
51 relating to alcohol abuse, poverty and violence in Roebourne.

1 The report noted consistent community feedback that there
2 was significant over-crowding in public housing which was
3 contributing to family violence.

4
5 In August 2011, the president of the WA Police Union wrote
6 to the Minister for Housing, the Honourable Troy Buswell,
7 outlining longstanding concerns about the standard and
8 location of existing police housing. Police officers
9 reported being subjected to harassment, vandalism and
10 antisocial behaviour in and around their homes, and indicated
11 they would leave Roebourne if a solution could not be
12 reached.

13
14 The president urged the state government to act swiftly. He
15 warned:

16
17 There will be no police officers in Roebourne to police the
18 town.

19
20 By the end of that year, the Department of Housing had bought
21 two blocks of vacant land on Hampton Street on the slopes of
22 Mount Welcome. After long delays, a purpose-built housing
23 complex for police and their families finally opened in July
24 2014. The person who signed the contract on behalf of the
25 Department of Housing was Mr Paul Whyte. There was more to
26 the story than what had first appeared to be a standard land
27 acquisition by a government department to build government
28 housing.

29
30 The Commission's examinations over the next three days will
31 lift the curtain on the saga of the Roebourne police housing
32 complex and ask significant questions about what happened
33 behind the scenes. Was the land purchased solely for the
34 benefit of the Roebourne community, or was it purchased at
35 a hugely inflated price for the benefit of Mr Whyte's
36 gambling associates?

37
38 In January 2011, a real estate agent contacted the department
39 to advise that the Hampton Street lots were on the market.
40 The department did not act. Instead, a couple from
41 Melbourne, Mr Robert Ottone and his wife, bought the lots.
42 The Ottones paid \$440,000 for the lots in April 2011. They
43 owned the lots for just over seven months, and in that time
44 made no improvements to them. The lots were not connected
45 to essential water, electricity or sewerage services.

46
47 In November, the Ottones sold the Hampton Street lots to the
48 department for \$700,000 under a contract that required
49 further payments from the department to the Ottones once the
50 State had developed the lots. By January 2013, the Ottones
51 had received almost \$1.3 million from the Department of

1 Housing for the sale of the Hampton Street lots in a deal
2 brokered by Mr Paul Whyte.

3
4 Who was Mr Robert Ottone? Was he simply an astute investor
5 who profited from a brief ownership of two vacant lots of
6 land on which he had made no improvements, or did Mr Ottone
7 buy the Hampton Street lots as part of a corrupt scheme in
8 which government funds were deliberately overspent for the
9 personal benefit of certain individuals?

10
11 Mr Robert Ottone, a smash repairer in Melbourne, was friends
12 with Mr Graeme Michell. Mr Graeme Michell was friends with
13 Mr Paul Whyte. As well as being Mr Whyte's friend,
14 Mr Michell was also Mr Whyte's bookie. For years, Mr Michell
15 placed bets, allegedly worth millions of dollars, for
16 Mr Whyte on betting accounts around Australia.

17
18 In the years in which the department bought the Hampton
19 Street lots and developed the police housing complex, the
20 Commission's investigation has uncovered hundreds of
21 thousands of dollars moving between the bank accounts
22 controlled by Mr Whyte, Mr Michell and Mr Ottone. The
23 movement of these massive sums of money between Mr Whyte,
24 Mr Michell and Mr Ottone, at the time when Mr Whyte acted on
25 behalf of the Department of Housing in purchasing land from
26 Mr Ottone raises serious questions which the Commission will
27 explore in these examinations.

28
29 Over the next three days, witnesses will give evidence about
30 the steps taken and decisions made when the Hampton Street
31 lots were bought and developed for police housing in
32 Roebourne. The Commission will consider whether there was
33 adequate governance, transparency and accountability when
34 public money was spent. The Commission will scrutinise
35 whether police officers disclosed confidential information
36 they obtained by virtue of their positions.

37
38 Beginning with the first witness, Mr Graeme Michell, the
39 examinations will shed light on the relationship between the
40 key parties in the Hampton Street transactions. More
41 broadly, the Commission's investigation has raised issues
42 about the culture with the Department of Housing at the time.
43 In private examinations before the Commission, witnesses
44 described Mr Whyte as being entrepreneurial and creative.
45 He seemed to produce results.

46
47 The Commission will explore whether a desire to cut red tape
48 and bureaucracy, together with a reluctance to report
49 suspected misconduct, may allow corruption to flourish
50 because proper procedures and safeguards are disregarded.
51 Cultural issues are not unique to particular agencies, and

1 in that respect there may be lessons to be gleaned by other
2 departments in the public sector.

3
4 The Roebourne police housing complex was a much-needed
5 solution to a volatile situation in the town, when the police
6 were threatening to leave because of problems with their
7 housing. Around that time, the State government had
8 committed significant funding to the Pilbara region, having
9 lodged its Pilbara Cities blueprint in 2009. The government
10 wanted to transform the region by creating modern,
11 higher-density centres, supported by all the services and
12 facilities enjoyed in other Australian cities.

13
14 In 2011, the Housing Authority had embarked on its Roebourne
15 rejuvenation project, which involved demolishing or
16 refurbishing existing social housing, and constructing new
17 housing for residents, as well as employees of government
18 and non-government agencies. The community of Roebourne
19 deserved the funding and infrastructure upgrades that was
20 promised to it. The government should be able to trust that
21 its public servants, particularly those in senior positions,
22 will carry out their duties ethically and for the benefit of
23 the people of Western Australia.

24
25 The State paid a hefty price for the Roebourne police housing
26 complex. Almost a decade later, we hope the experience was
27 not in vain and that Roebourne can serve as a clarion call
28 to vigilance across the public sector.

29
30 **THE ACTING COMMISSIONER:** Thank you, Ms Loo.

31
32 We'll adjourn briefly before the first witness is called.

33
34 (Short adjournment)

1 **MICHEL, GRAEME LEONARD CALLED AT 10.30 AM:**
2
3 **THE ACTING COMMISSIONER:** Please be seated.
4
5 **THE ASSOCIATE:** Before your examination begins, it is
6 necessary for you to take an affirmation. If you could
7 please stand and read the affirmation out loud?
8
9 **MICHEL, GRAEME LEONARD AFFIRMED AT 10.31 AM:**
10
11 **THE ASSOCIATE:** Thank you. You may be seated.
12
13 **THE ACTING COMMISSIONER:** I see you have received and signed
14 the notice to witnesses, Mr Michell?---Yes, sir.
15
16 Thank you. I've appointed Ms Pantano as counsel assisting.
17 She will ask questions on my behalf.
18
19 Yes?
20
21 **PANTANO, MS:** Can you please state your full name?---Yes,
22 Graeme Leonard Michell.
23
24 And are you currently employed?---Yes, I am.
25
26 In what capacity?---Working for GVC as an account manager.
27
28 Okay. And what do GVC do?---I - I'm a - they own a -
29 Ladbrokes, Neds, betting company that I - I work in.
30
31 Okay. And how long have you worked for them for?---Since
32 2017.
33
34 2017?---Yes.
35
36 Yes? And what did you do prior to that?---Prior to that I
37 - going back how many years do you want to go back?
38
39 Prior to - your role prior to GVC?---I was working in my
40 sister's clothing shop for a - for a certain amount of time
41 and then basically I was a - a professional gambler.
42
43 How long were you a professional gambler for?---I believe
44 from 2012 to about 2016.
45
46 And have you ever had previous experience working within a
47 betting agency?---I've - - -
48
49 Other than GVC?---Yeah, I'd actually been, yeah, betting all
50 my life, since, yeah, a young age.
51

1 So when you say you were betting all your life but you were
2 only a professional gambler during a certain time period,
3 just explain for me the difference with what you were doing?--
4 --Well, before I was a professional gambler I was just
5 basically doing it as a - as part-time. I lived in Melbourne
6 for a period of time. I came to Perth and decided that I'd
7 put a lot of effort, a lot of work, a lot of study into it,
8 I'd been doing it a long, long time and believed that I could
9 be successful at it. Yeah, so that's - that's how I - how
10 I did it.

11

12 Okay. I want to ask you about an individual, Mr Paul Ronald
13 Whyte. I understand you knew him quite well?---Yes.

14

15 Okay. When did you first meet Mr Whyte?---I met Mr Whyte -
16 these are just rough dates, I'm just going to say around
17 2013.

18

19 Yes? And how did you come to meet him?---I met Mr Whyte at
20 a luncheon, yeah. It - it was a luncheon, yes.

21

22 Okay. And how would you describe the nature of your
23 relationship with him?---Well, I looked up to Mr Whyte as -
24 well, obviously I said I was in racing all my life so first
25 thing that, you know, he - he told me was that, you know, he
26 was interested in horses and he had a - a breeding farm,
27 buys a lot of horses out of New Zealand, extremely
28 successful, and really so offered me a - a position. The
29 fact is to do a lot of his betting for him, which probably
30 excited me at the time. So that's - that's basically how -
31 how it kicked off.

32

33 Okay. You said he offered you a position to do his betting
34 for him. When you say a position was it a formalised
35 arrangement, like with an employment contract or how did it
36 work?---No, no, no contract. Basically in that case I - I
37 looked at Mr Whyte as obviously successful. At the time I
38 mean I did, you know, obviously some - some checks and he
39 was well known in Perth, WA. He was well known through
40 football circles. So I, you know, basically was pleased to
41 get involved with Mr Whyte for the fact is that it suited me
42 at the time, for what I was doing. That I was doing my job
43 professionally, I was thinking that if I'm dealing with
44 someone that's in breeding, someone that's got horses,
45 someone that's successful this will help me, you know benefit
46 my family going forward.

47

48 You said "I did some checks". What sort of checks did you
49 do on Mr Whyte?---When I say checks, he was well known. I
50 mean, you know, I'd go to the - you know, to a luncheon and
51 whatnot and there was, you know - you know, well-known people

1 at the luncheon so I actually felt to be honest with - honest
2 - honoured to be asked along with Mr Whyte.

3
4 What sort of luncheons are you talking about?---Well, I just
5 remember David Hayes, you know, a massive name out of
6 Hong Kong, you know, he invited me to a - a luncheon there
7 at Leederville and there was a guy, committee members at the
8 racecourse, you know, that were there. There was jockeys,
9 trainers. I think I met David Wirrpanda, these type of
10 people. So it was someone that to me that I -personally I
11 actually looked up to him as a very successful person.

12
13 Okay. So the checks you did is that you went - you saw him
14 at some luncheons. Were there any other checks that you
15 did?---When I say saw him he actually invited me to - to
16 luncheons so I went as a guest of his. Even like a Carbine
17 Club, he would ask me to a Carbine Club luncheon.

18
19 And you said he was well known. Well known in what circles,
20 to your understanding?---Well, well known in - in - in racing
21 circles but I also had three boys and my boys was going good
22 at football and Paul seemed to have contacts everywhere and
23 he said that, you know, he could probably get them a
24 scholarship with Aquinas College. So I actually, you know,
25 thought that he - he would be a - well, I thought he was a
26 quality person at the time of course but he would be a person
27 that would be a good contact going forward. I looked up to
28 him as a - as a role model to be honest with you. I mean,
29 I - I thought he was intelligent. I thought he was clever,
30 smart. So I obviously got - got it all wrong.

31
32 Okay. So you said that he asked you to put his bets on for
33 him. Tell me how that came about?---Well, he - he just said
34 that he's got a team of - team of horses, he's very busy,
35 he's got a lot on, and he was looking also - I know he - you
36 know, to - for someone to basically do that for him so I
37 just said, yeah, I was more than happy to do it.

38
39 When you say do that for him, do what for him?---Place the
40 bets for him that he wanted, with the betting shops.

41
42 And you said that he had a team of horses and was very busy.
43 Were there any other reasons why he said to you he wanted
44 you to do it and why he didn't do it himself?---No, it
45 happened - because I thought obviously Mr Whyte was - well,
46 presumed he was wealthy because he told me that he'd had a
47 nursing company, sold that for a massive amount of money.
48 So Mr Whyte gave me no intentions, no - to - to believe that
49 he was nothing else but a successful person that I looked up
50 to in Perth, WA. So to me I was honoured to get involved,
51 to place the bets for him.

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But did he ever indicate to you any other reasons? Other than the fact he was very busy and had a team of horses, did he indicate to you why he didn't want to put the bets on himself?---None whatsoever.

Are you sure about that?---None whatsoever, yeah.

Did he indicate to you he didn't want his name associated with it given his public - or his position within the public sector or words to that effect?---No, because Mr Whyte had his own accounts.

His own betting accounts?---Yes.

So then what did he need you doing it for?---Well, I mean, it's easy to look back now and see why but at the time I couldn't - I couldn't see it at the time. So my answer today is a totally different answer than it would have been four years ago.

Did he say to you at any point he didn't want his name connected to his bets?---I mean - - -

Or, again, words to that effect?---I mean, to my recollection - look, that may have been - he may have possibly said that but I would have taken that not really with, you know, any substance for the fact is that Paul, you know, had horses running around - all around Australia. It was common knowledge. He had his own betting accounts. Even though he - whether or not he said that to me it didn't raise any flags at all with me, not even close to it.

So if he had his own - if you knew that he had his own betting accounts what did he need you placing his bets for? What was the - what was the reason?---And again I can answer it now but four years ago again it would be a different situation. I presume that he had a credit limit himself that was reached so therefore he could not obtain any more credit, so he would use me to get credit. I never knew Paul's personal situation, of his betting. A few of the betting shops that I was betting with I would raise his name and, you know, he was a VIP so it gave me confidence that I was - I was dealing with the right person.

And how - how long, approximately, were you placing his bets for? I don't need exact dates but - - -?---Yeah. Yeah, thanks because I - it's - it's a guess. I actually reckon - I believe it was from probably 2013 and I actually ceased - I ceased this arrangement with him. I was - I was in a hole with it, for the fact is all the debt is in my name.

1 My wife didn't know. I was borrowing money, using redraws;
2 telling lies basically is what I was doing. So I think I
3 ceased it - I went to see him and said I can't continue any
4 longer. He actually assured me that everything is okay,
5 just hang in.

6
7 **THE ACTING COMMISSIONER:** When was it, Mr Michell?---Yeah,
8 sorry, sir. I'm just going to take a guess that I believe
9 I ceased it - I'm going to say late 2015 to - in - in that
10 window to probably middle of 2016, somewhere in that period.

11
12 **PANTANO, MS:** So approximately it's 2013 to 2015, 2016?---
13 Yes, miss.

14
15 So maybe two and a half to three years?---Yes.

16
17 Okay. And you said that you were in a hole; you were using
18 redraws, and you were in debt. Was that all because of
19 Mr Whyte's betting?---All because of Mr Whyte's betting,
20 yeah.

21
22 How did he communicate the bets to you?---Yeah, he
23 communicated his bets - bets either by phone, he would - he
24 would phone me. A lot of times he - he would text me but
25 there may be some cases that, you know, my credit limit may
26 have been reached. So he could go missing for a period of
27 time, he wasn't reachable easy so, you know, it may have
28 been a day later or a night before I could even confirm or
29 I'd ask him to give me a ring. So it was either verbal,
30 text, telephone, or - or a lot of times I would actually
31 meet him and he would give me a list of - list of his - of
32 his bets that he wanted.

33
34 And would he tell you the dollar amount as well?---Yes. Yes.
35 Yeah.

36
37 Now, you said it was predominantly - well, it was all Paul
38 Whyte's debt. What sort of value are we looking at, at the
39 time you ceased? What sort of debt range, what are we - a
40 couple of thousand, a couple of hundred?---No.

41
42 Again, just approximate figures?---Yeah, I think - you mean
43 the debt that was left when - I'm going to probably guess,
44 you know, it could have been 250 to 300 thousand.

45
46 And how did he transfer the money to you for the bets - - -
47 ?---Yeah, he would - - -

48
49 - - - that he wanted you to place?---A lot of times I'd
50 prefer him to transfer it direct but in a lot of cases the
51 betting shop wouldn't take a third party cheque, the cheque

1 had to be in my name. So he would either transfer it either
2 direct or it could have been to my account or, if I'd got
3 other people - if sometimes I didn't have any credit, amount
4 of any credit left so I may say, "Mate, I've got no credit
5 amount," and he'd say, you know, "Can you find some?" and I
6 might say, look, I can - I'll try and find someone else that
7 can get this on for you. He would be telling me that I've
8 spoken to the trainer, this horse is going to be winning. I
9 also had demand letters and I was cleaning up my drawers the
10 other day and I'm not sure whether when Luke and Mike I think
11 it was came - came to my house I offered them of course as
12 much information that they wanted and there was demand
13 letters from - from betting shops and I actually found one
14 just here, there's one here for 2015 that I found just
15 cleaning up. And they - in a lot of cases I would try and
16 get a - get a discount off it if I could, off - off the bill.
17 Yeah, so it was - it - it was extremely messy. It was
18 extremely untidy, extremely stressful and as I said it was
19 something that I - I physically put an end to it.

20
21 So you said that he would either transfer money into your
22 personal account, was it?---Yeah. It could - it could have
23 been into my personal account, yes.

24
25 Okay, or direct to the betting agency?---Or direct to the
26 betting agencies, yes.

27
28 Okay. The times that he transferred it direct to you - - -
29 ?---Yes?

30
31 To your personal account, how would you know at the time
32 that it was money coming from him?---Well, I would basically
33 go and say to him, look, mate, I'm in a hole, this is - this
34 is what you owe, this is where I'm at. "Mate, it's absolutely
35 not a problem at all." You know, "I've taken some money out
36 of the redraw, my wife doesn't know," I mean, she did know
37 in the end, and he would just - nothing was ever a problem.
38 "Mate, that's - that's okay. Just bear with me, I'll get
39 that sorted for you." So he would either just maybe send me
40 a text message or ring me and just say, "Mate, I've sorted
41 all that out for you," and which would give me confidence
42 and - and a little bit of peace of mind that, well, he's
43 done it you know so - and then I'd - - -

44
45 So if you were looking at your bank account how would you
46 know that money that was coming in had come from him?---
47 Well, I basically would see the transactions, the size of
48 the transactions. I mean, I wasn't - my bank account, you
49 know, wasn't having 50s and 20s and 40 thousands, so because
50 I was always looking and had obligations to pay, I'd be
51 looking for it that day, or the next day - - -

1
2 Would he reference it with his name or - - -?---He put
3 references with his name, yeah. Look, I presume he may have
4 - I can't - I can't tell you that I know that for a fact,
5 but there may be information that's got his name on, so he
6 could possibly do that, yes.
7
8 Did money ever come from elsewhere?---No. I don't - no,
9 never. I'm going to say never.
10
11 What about from other business accounts that may have been
12 linked to Mr Whyte?---Well, the only - the only things I
13 know, he would either pay me by cheque - and sometimes on
14 his personal cheque it may say "P. Whyte".
15
16 Mm hmm?---I think there may have been one that he - may have
17 seen his partner or wife - Seiver may have been one as well,
18 but it was - mainly used to come from Boldline or Simply - - -
19
20 Simple Abundance?---Yes, Simple Abundance, yeah, which I
21 believe were his two companies that he said that he owned,
22 and one was one of his nursing companies, and one was his
23 racing companies, so I never red-flagged that again.
24
25 So the cheques, are you saying, predominantly came from
26 Boldline or Simple Abundance?---Correct. That's correct.
27
28 And he said to you that those business names related to
29 legitimate business?---To be honest, I - I didn't really
30 even ask him about that. I just didn't think that was a
31 problem. I presumed that was his - his company - yeah,
32 company cheques. Yeah.
33
34 Okay. On average, what would be the sort of dollar range of
35 the bets that he would place? Are we talking sort of 10, 20
36 dollar bets? Are we talking hundreds - - -?---No.
37
38 - - - thousands?---They would've been thousands, yeah.
39
40 Okay?---Yeah - yeah.
41
42 Single digits, or are we talking tens or hundreds of
43 thousands?---It would change, it would fluctuate. It also
44 depended - a lot of times I couldn't place them for the fact
45 of my credit limit. I mean, he - he didn't really - at the
46 end, it was just like Lotto numbers, it would just go bang,
47 bang, bang. I'd ring him and say, "Mate, I've got no hope
48 at all of getting these sorted. One - he may not even answer
49 his phone, so I couldn't get them sorted. And then maybe
50 the next day, or a week later, I'd say, "Mate, I couldn't
51 get them done. I've got no credit left".

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So is it the that he wouldn't pay you upfront before you placed each bet?---No, never - never once. I was always in a mess from day one.

How did you keep track of the money coming in and out in relation to Mr Whyte?---Well, basically, in an exercise book, which I think they - I offered or gave them, or whatever they took - it was there. As in a figure, yes, it was just written down. I was technology - not technology savvy, so I didn't have, you know, computers and that type of stuff either.

So if he never gave you the money upfront, why did you keep placing the bets for him?---Well, as you'd understand, this is a credit facility that I had.

Mm?---So two things happened, Mr Whyte doesn't pay me. The betting shop sues me, I go bankrupt. They're my options. So it was long-term pain, because all you were doing was hoping - Mr Whyte was convincing, never once did Mr Whyte give me any information there was one single problem. There was horses getting sold in New Zealand, there was horses getting sold in Queensland, there was horses getting sold in Perth. "Mate, I've got this coming in, that coming in," so all I'll be doing would be buying time with the betting shops, stalling, stalling, stalling, chipping away 15,000, taking money from the redraw, borrowing money from someone, waiting for Mr Whyte to say, "This horse will be sold at the Magic Millions sale. I'll settle everything up on this date". A lot of times - - -

Did it happen?---No, it wouldn't happen. It wouldn't happen, no - no, and that's what I'm saying, Mr Whyte also promised me things, like, you know, to get the kids into Aquinas, and saying that, I would have actually done it. I would have put the kids in - you know, got him to put the kids into Aquinas. In fact, I was under a lot of stress with this myself. Again, looking back now - it's easy to look back now, but, you know, I thought Mr Whyte actually owed me something in that way for what I was doing, and it got to the stage where I physically ended this. My wife basically gave me the ultimatum, I either finish, end, that's it, or I'm done.

The Commission has got information that indicates that, in order to repay a debt, Mr Whyte on occasion would organise for a third party to pay his debts, whether it be a contractor or somebody else. Did Mr Whyte ever repay a debt other than him personally, so somebody else paying his debt?---Yeah. I'd like to put this to the Commission as well, Mr Whyte

1 never ever, not one single - there would be nothing
2 documented, I knew nothing about anything that's gone on,
3 and Mr Whyte would never, ever pay me in any other way other
4 than himself, through Boldline or through Simple Abundance.
5 That's the only way, never once.

6
7 Did he ever promise you anything?---He did. He promised me
8 a new car. He - no, basically, really a new car was - was
9 - I actually used to ask him, you know, to - I used to say
10 to him, you know, like, "Mate," you know - you know, because
11 I was in - in debt with it, and I would have taken the new
12 car, you know - probably lucky I didn't - and I think I went
13 in there one day and I said, "Paul," you know, "you're" -
14 because everything was always - there was never a problem,
15 it was always going to happen in a month's time, and that
16 just went on and on and on and on. So the new car was
17 coming, and I said, "Mate," you know, "what's happening?"
18 "Ah mate, just bear with me, it will be another month away,"
19 but as I worked out, like, I didn't get a new car.

20
21 How would you say - sorry, how successful would you Mr Whyte
22 was as a gambler?---No - after about, probably a year-and-
23 a-half, even up to two years, I worked out, no - no, no -
24 but I - the problem I had was I - all the debt is in my name.
25 I've got two ways of doing this, stop it now - then I've got
26 to collect it - or do I hang in, believe what he's saying,
27 and hope that he's telling me the truth and we're going to
28 get out of the shit by all these horses that are arriving
29 from New Zealand are all setting up - they'll be winning, so
30 I went - as a gambler myself, as a risk-taker, I took point
31 4, that I will hang in, hang in, hang in. The only reason
32 I got out was because of my wife.

33
34 So you said approximately - sorry, at the time that you got
35 out of the arrangement, he owed approximately between 250 to
36 possibly 300 thousand?---Yes.

37
38 What would you say was the most at any one time that Mr Whyte
39 owed you? What was the most amount?---Yeah, it could have
40 been between 600 to 800 thousand.

41
42 **THE ACTING COMMISSIONER:** And about when was that? When
43 was the peak of his indebtedness?---Probably 2014 or 15, but
44 in saying that, those - those figures, at the end of the
45 day, were telephone numbers, because I had already made a
46 decision at about 250 or 300 here, I'm done, but I didn't
47 tell him I was physically done, for the fact is I thought I
48 might as well just hold, hold, hold and see what - you know,
49 once you cut someone off and say "no more," how am I ever
50 going to collect anything out of this wreck. So a lot of
51 the times, even though that figure did reach that amount, it

1 was - it was - it never got to those figures my end. It was
2 just basically, I'd got to the stage where I said, "I cannot
3 put any more on, and this was the debt". I just left it
4 there and said, "This is what I'm owed". At the end of the
5 day, I think I wrote, you know, a lot of it off at the end.

6
7 **PANTANO, MS:** So I'm a little bit confused by what you've
8 just said then. You said at the peak it may have been six
9 to eight hundred thousand, but it never got to that at your
10 end. What - - -?---Well, for the fact is, I didn't have any
11 more credit to get these bets on, so all I'd do is just tell
12 him that that's where it was it, and that's where the figure
13 was. You know, but it never got - it never got to that
14 amount with - with the bookmaker.

15
16 What was the most amount, the highest - sorry, just going
17 back on what you've said previously, so I just want to
18 clarify it?---Yes.

19
20 Did the debt with Mr Whyte ever reach the value of about
21 800,000, approximately?---No, look - I'm just guessing, I am
22 guessing figures here, to be honest with you.

23
24 And I understand it was some time ago - - -?---Yeah.

25
26 - - - but I'm just talking ballpark - ballpark?---Yeah.
27 Look, it probably - I could have been 200 out or 300 out.
28 It might have stopped at 300 or 400, it was just a real
29 messy, shitty time. An example is, Mr Whyte, for instance,
30 could have give me at 8 o'clock at night \$140,000 worth of
31 bets. I might not have even got them until the next day, or
32 I may have rang him back and said, you know, "Mate, these -
33 these bets, they're not on," but even though they lost, the
34 bets lost, I used to actually let him know, "This is where
35 you would be at, this is the position you would be at if
36 these bets were on," you know, "you might just give it away.
37 I have to - I can't - can't get them on".

38
39 So you're saying there were times that he gave you bets to
40 put on, but you didn't do it?---I couldn't get them on
41 because I didn't have the credit facility.

42
43 Okay?---Yeah, and therefore I would have let him know, "This
44 is where it would be - today, this is where the figure would
45 be today, but in actual fact it's here," so yeah, I
46 just - - -

47
48 Sorry, what do you mean by that?---Well, those bets may have
49 lost, the bets may have lost, so therefore the figure would
50 have been a higher figure, but in actual fact that is not
51 the correct figure, because those bets weren't placed.

1
2 Right, okay - so they are basically null and void?---They
3 were null and void, yeah.

4
5 It didn't go ahead?---Null and void, yes.

6
7 **THE ACTING COMMISSIONER:** You did go to the trouble of
8 calculating what would have happened?---Yeah, I would. I
9 just let him know - I would let him know, sir, the calculation
10 of it, and go there the next day and say, "This is where
11 it's at". I was always trying to get out, and get out and
12 get out of it, and I tried - I didn't - I tried a lot of
13 ways, and I tried at the end of the day to try and get one
14 figure to pay direct all the bookmakers to get out. He never
15 ever wanted - if I ever got, like, a nasty letter, he would
16 always, like, "No, no, no," you know, like, "Just bear with
17 me". I said, "Mate, I've got two options here. I'll have
18 to bankrupt myself" - and looking back, I think he may have
19 been nervous - now, you can see now - and the fact is that,
20 if I have to bankrupt myself or, you know, if the bookmakers
21 summons me for it, and I've got to find 300,000, 200,000, I
22 haven't got it. I've either got to sell the house - and my
23 wife knows, where does this come from - from Paul? Is that
24 the when - you know, when the pressure really went on, why
25 he would actually probably find something. That's what I'm
26 thinking now.

27
28 **PANTANO, MS:** And he would try and find something?---Find
29 some money.

30
31 Right?---Yeah, because when it - when I'd actually sit down
32 and say, "Mate, I just can't continue, this is where I'm
33 at," he - he would, like, "No, no, no".

34
35 Did you get the impression that he was quite desperate for
36 you to maintain placing the bets for him?---No the word
37 "desperate," but he was convincing, very convincing, that
38 there was - I mean, there was never a problem.

39
40 And convincing also that he wanted you to continue placing
41 the bets for him?---He kept - convincing - the fact is I
42 never saw a money issue, you know. There was always
43 holidays, there was always, you know, a new home, there was
44 a new car, you know. "We're going to Broome on a holiday,"
45 "We're going here" - "I've," you know, "just bought twelve
46 horses". There was nothing - there was nothing hidden. I
47 mean, the horse would win. It was owned by P. Whyte, Ron
48 Whyte. You know, Darren McCauley, the race caller, "Owned
49 by a good mate of mine, Paul Whyte". "Owned by," you know,
50 "Ronnie Whyte, lovely family". So there was nothing that

1 ever, ever flagged me that there was a problem. Even though
2 I would sit there and scratch my head - - -

3

4 **THE ACTING COMMISSIONER:** But, surely - he didn't pay you,
5 so you would have known there was - - -?---Sorry, sir?

6

7 He didn't pay you?---Well, he paid the periods of bets, until
8 - until I actually ceased it around 2015, where my wife gave
9 me an ultimatum, to say, "Listen, that's it". I just went
10 in and said, "Paul, mate, I'm done. I just cannot take any
11 more. This is where I'm at with my wife". He said, "Mate,
12 just - everything will be sorted. I'll sort it all out". I
13 said "Mate, I'm going to lose my marriage over this". I
14 said, "I physically cannot go any further". I kept contact
15 with him, not a lot - you know, a little bit of contact,
16 little bit of contact, your Honour, but it was spasmodically,
17 and then I felt more relaxed, you know, that I wasn't under
18 this pressure. I did deals with the betting shop to get out
19 of it, to clear my slate. And then, I basically entered
20 into the industry - I'm very successful in this industry, as
21 you can probably see - with my full-time position with GVC.

22

23 **PANTANO, MS:** So other than promising you a car, possible
24 scholarships for your children, and him paying you via cheque
25 on most occasions, was there any other things that he either
26 promised, or said that I can give you in repayment for these
27 quite substantial debts?---No. The only thing he promised
28 to, like, take me on holidays. He would ask me, you know,
29 to horse sales, but never, ever - ever promised me one single
30 thing, yeah.

31

32 Did he ever say, "I can give you information about this," or
33 information about that? Did he ever say anything like that?--
34 --Absolutely not one single murmur or word about anything,
35 and looking back on it, I mean - as I said, you know, it's
36 easy to see now - I mean, obviously, Paul Whyte - it's
37 terrible what's happened and I understand your position, I
38 understand if I've got to come here for the next two years,
39 I'll still come here and still answer, or have to answer,
40 but Mr Whyte, obviously, he's - look, he didn't need me for
41 the fact is - and I can see why he never offered me anything,
42 or did anything with me, for the fact is he had massive
43 amounts of money, obviously coming in from false invoicing
44 everywhere else, so I was - thank you, sir - I was obviously
45 a minor to Mr Whyte.

46

47 Do you know if anyone else was putting bets on for Mr Whyte
48 at the same time as you?---No.

49

50 What about before you came on board? Do you know if somebody
51 else was placing bets for him prior to you?---No. No - I

1 mean, I heard, you know, maybe - maybe someone - maybe it
2 might have been Craig Dale, maybe, but I didn't - anything
3 I had to do with Craig Dale was just complete poison in three
4 months, sorry.

5
6 Okay. So a person by the name of Craig Dale may have been
7 placing Mr Whyte's bets before you started doing that?---I'm
8 just - yeah, I'm not a hundred per cent sure.

9
10 What makes you think that it may have been him?---I've got
11 an idea early days, Paul may have told me that he had someone,
12 and he wasn't happy under that situation, so therefore I -
13 I just - that's when he offered me - I was actually excited
14 about it, so - that's how dumb I was.

15
16 And who was Craig Dale?---Craig Dale was a guy that I
17 actually met through Paul - Paul Whyte. Yeah, I'd had, you
18 know, a little to do with him, but it was all poison.

19
20 Did he work with Mr Whyte?---I believe Craig Dale - I thought
21 worked for himself.

22
23 Do you know whether he contracted to the Department of
24 Housing?---Look, all that stuff, I just - no, I never got
25 involved in any - in any of that type of thing. I was
26 never - - -

27
28 I'm not asking whether you got involved, I'm just asking
29 whether you knew, did he work or contract to the Department
30 of Housing?---Well, look, I believe he did, but, you know,
31 that could be - it's - I'm only guessing.

32
33 Okay. And how would you describe the nature of your
34 relationship with Mr Dale?---Ordinary.

35
36 Yes. Did you know him prior to meeting through Mr Whyte?--
37 -Believe it or not, he went out with - I lived in Bedford as
38 - when I was the boys' age, with my mother and father, and
39 I played cricket, I think, with him, and he went out with my
40 sister's friend, so - it was a long, long time ago, but yeah
41 - I just remember my sister saying, you know - a long, long
42 time ago, I think he took money, you know, out of his
43 girlfriend's bank or whatever, so - - -

44
45 Was Mr Dale into gambling as well, do you know?---Yes, he
46 was. Yeah.

47
48 And did you have anything to do with him from that side of
49 things?---Yeah, very small - early days, yeah, but I - that
50 one I pulled the pin on straightaway.

51

1 What did you pull the pin on?---I didn't want any - any more
2 transactions with him.

3

4 So tell me about the transactions, or the nature of the
5 transactions that you had with Mr Dale?---I would have placed
6 - I don't know, I'm just guessing, maybe 40 bets. He - the
7 problem is, he was in - in horses with Paul.

8

9 Right?---So therefore if you went somewhere he was shoulder
10 to shoulder with Paul; very close, that's how I - how I
11 viewed it. So if you went to a luncheon he was there. So
12 he actually asked me to do a - you know do a few - you know
13 place a few bets for him. And then I - I pulled the pin,
14 yeah, like - like very early days on - - -

15

16 So Mr Dale asked you to place bets on his behalf?---Yeah,
17 probably because he - he would have known, maybe known I was
18 doing it for - you know doing it for Paul. But there - there
19 wouldn't have been a lot.

20

21 And what are we talking value-wise, again ballpark?---Look,
22 as in turnover or - - -

23

24 Of the value of the bets that he was asking you?---Look, it
25 could have been you know maybe, I'm just guessing, two to
26 three thousand probably.

27

28 At any one time?---Yeah, yeah.

29

30 Okay. And did he pay you for those bets?---He would have.
31 He would have. I think I may have paid him a couple of times
32 but there was I think bounced - I think money bounced and
33 once it bounced I - like I was out. I think - - -

34

35 As in like cheques bounced that he gave you?---I'm - I'm
36 pretty sure there was a cheque, cheque bounced, yes.

37

38 So what would you say would be - would have been the total,
39 again ballpark figure, of the total value of the bets you
40 would have placed for Mr Dale?---Let's just say a hundred
41 thousand total.

42

43 And - - -?---But that's not money lost. That's - that's
44 just turnover. You know that might have won, that might
45 have won, that might have won. But I was only there a very
46 short time, like you know - - - - -

47

48 Only there?---Well, dealing with - with - with Craig Dale.

49

50 Okay. And you've explained your understanding of why you
51 think Paul wanted you to place his bets for him. Why was

1 Mr Dale? What's your understanding of why Mr Dale wanted
2 you to place his bets?---Probably an easy way to answer,
3 they don't have to pay for them.

4
5 So then why don't they just do it in their own
6 name?---Well, because it's - it's credit. I mean, today we
7 - we know he's probably got a credit limit which is full,
8 cannot obtain any money so they used me as credit limit to
9 - to get on. They don't pass any money over. If it wins,
10 the hand's out to collect. If it loses, it's my mess.

11
12 So what - - -?---But at - - -

13
14 Sorry, continue?---So the reason why Craig Dale - I got rid
15 of him straightaway was the fact is I had Paul as very high
16 credibility; as successful, a businessman, clever, wealthy,
17 won't leave me in a mess or a hole. After a month with Craig
18 Dale I had him the total opposite as Paul Whyte.

19
20 Right. So just to go back to something you said earlier was
21 that because it was all on credit you expected or thought
22 that Mr Dale may have reached his credit limit and that's
23 why then he was coming to you?---I'm just guessing that now.

24
25 Did you ever ask him?---No, because it was one thing - the
26 - this is how it'd go. "G'day, mate. How are you?" "Yeah,
27 good, mate." "Mate, we've got one at Pinjarra on Thursday.
28 I've just spoken to Simon Miller, the horse trainer. Mate,
29 this horse will be winning. Mate, can you - can you do -
30 can you organise it for us, mate?" "Yeah, not a problem."
31 I mean, I'm excited about the fact that the horse is winning;
32 of course I'll organise it, of course I'll put the money on.
33 And that's how it would go, so - - -

34
35 Under your - under a betting account?---Yeah, I'd just - I'd
36 just place the bet. You know either - either through the
37 TAB or through - yeah, through - through - yeah, under my
38 name, yeah.

39
40 **THE ACTING COMMISSIONER:** And what fee did you charge for
41 providing that service, or lending them your
42 credit?---Yeah, well, I mean, sir, a good question. At the
43 start of it I thought I was going to be successful out of it
44 by obtaining the information on the racehorses. And the
45 fact is that I was happy - if someone's going to place 5,000
46 or 10,000 that's a - it's a sizeable bet. I mean, we take
47 bets you know now for 100, 200 thousand dollars in the
48 company I'm working for. So if someone's going to have
49 10,000 on a horse I'll - I'll tack something on top of that
50 myself, thinking this horse will be winning and I'll be
51 obtaining something out of it. Because they had horses with

1 all the horse trainers, so they had all the information from
2 the horse trainers and the jockeys. So that's the reason
3 why I thought to myself hang on, this will suit me. I'm
4 doing this professionally. I'm doing betting
5 professionally. This'll work nicely.

6
7 **PANTANO, MS:** But did Mr Dale give you the money
8 upfront?---No, never.

9
10 So wasn't there a risk to you?---A hundred per cent a risk,
11 that's why I got out of it. You know, like I - I - I lasted
12 with Mr Dale for three months or six months. I got out.

13
14 And did he repay the full - any debt that was owed to you
15 before you withdrew?---Yeah, he paid. He - he would have
16 paid me some, yeah. Yeah.

17
18 So was there any outstanding debt, though, that he still
19 owed you?---No, I - I'm not sure where it ended up to be
20 honest with you cos I only - I'm - I'm talking four years
21 ago, five years ago so - - -

22
23 **THE ACTING COMMISSIONER:** So you don't know how much you
24 were left out of pocket from your dealings with Mr Dale?---
25 No, sir. If it's - it was uncollectable, that's what I
26 thought so - - -

27
28 Well - - -?---And I'm not sure how - I'm - I'm not - there
29 may have been nothing. I don't - - -

30
31 - - - if it was uncollectable you'd have known. You know,
32 one would expect you to know how much was uncollectable.
33 Did he leave you in the lurch for 20 grand, a hundred grand,
34 five grand or what?---I - I can't give you an answer on it
35 because I physically can't remember and I don't know. I mean
36 I could say five, it could be nothing; I could say 20, it
37 could be five. Like, it was just a - a messy - - -

38
39 We're not asking you to make stuff up?---No.

40
41 So what's your recollection of how much he left you in the
42 lurch for?---I - I - I - I just can't remember. I just -
43 I'm sorry, I just can't answer that one as you know I do not
44 remember. But I - I could say a figure and it could be
45 nothing. I just - - -

46
47 **PANTANO, MS:** Well, what was the reason why you got out of
48 that arrangement with Mr Dale?---Everything I did with him
49 was just a complete mess.

50

1 What do you mean by that?---Just lie - he would just tell
2 lies. Like he'd - he would say to you, you know, there's a
3 - "I'm going to put \$5,000 in your account on Friday, you
4 know can you have 10,000 for this - for me on Thursday?"
5 And I'd say, "Mate, I haven't got credit to put 10,000. I
6 can put \$2,000 on, that's all I can do. I can do the rest
7 in the TAB for 2,000." So he's got 4,000 on. And I'd go to
8 collect the money on Friday, he'd give me a cheque and it'd
9 bounce two days later. So I - I - I, yeah, got out of it
10 pretty quick.

11
12 Okay. So based on that evidence then, from that
13 recollection, would you agree then that he - you left that
14 arrangement with there being some outstanding debt owed to
15 Mr Dale - sorry, owed from Mr Dale to you?---I just can't
16 say yes or no on that because I physically don't know. I'm
17 just - I'm just guessing. I'm just - I - I - I don't know.
18 I just - I - once you've done with someone you don't want to
19 store it in your mind. Like, I - I had exited out of Mr Dale
20 in - how many years ago so sometimes you just have to wipe
21 your hands.

22
23 Even if they owe you thousands of dollars?---Yeah, but I
24 mean you know it's uncollectable. I'm dealing - I just don't
25 want to - I just didn't want to have any dealings with this
26 person so sometimes I'd just cut my ties altogether.

27
28 **THE ACTING COMMISSIONER:** Yes, but if it's - if it's
29 uncollectable and you're a professional gambler it's the tax
30 deduction. You'd want to know?---Well, I mean it's - look,
31 I - I don't know what you want me to say, like as in - - -

32
33 We want you to tell you how much - - -?---I - I can't
34 be - - -

35
36 We want you to tell us the truth?---Sorry?

37
38 We want you to tell us the truth?---But how - what, how -
39 we're talking five years ago.

40
41 Mr Dale[sic], you're a clever man. You're numerate. This
42 was your business, it was effectively money that you were
43 losing. You told us that you kept a notebook in relation to
44 Mr Whyte's debts. You had records. How much did he leave
45 you in the lurch for?---Have absolutely no idea, sir. I just
46 can't - I can't answer it. I just - I just don't know. I'd
47 like to tell you a figure but I just don't know.

48
49 **PANTANO, MS:** You recall quite - well, I'll say quite
50 clearly. You recall quite clearly that Mr Whyte left you
51 with a debt when you cut ties with him as far as the betting

1 goes, to the range of between 250 to 300 thousand. So with
2 Mr Dale just cast your mind back, if you knew that you had
3 a several hundreds of thousand dollar debt with Mr Whyte was
4 it something similar with
5 Mr Dale?---Absolutely no. No.

6
7 It wasn't that high?---With Mr Dale?

8
9 Mm?---Nowhere near it. I - I - I already said to you I
10 finished this. I had a three-month window with Mr Dale.
11 I've already answered the fact I don't know whether there
12 was any money left. If it was left it could have been 2,000,
13 4,000, 5,000. There was only a very few transactions. I
14 mean - - -

15
16 **THE ACTING COMMISSIONER:** You said 40?---I mean, we don't
17 live in a perfect world and things go wrong and sometimes
18 things aren't collectable. I'm not going to use headspace
19 - I mean Mr Dale owes me money today. I'm going to the
20 Karrinyup Baptist Church, trying to collect my money from
21 Mr Dale today.

22
23 **PANTANO, MS:** What does he owe you money for
24 today?---Well, basically when he got out of gaol asked could
25 he come and see me and just said that, "Mate, I'm in desperate
26 need for \$1,000. Is there any way you could lend me \$1,000?"
27 Well, I - I - I'm fine. I've got a very good job, as - as
28 you'll know in the last three years I've earned very good
29 money. So I just said, "Look, mate, I don't have a lot of
30 money but I'll try and ask one of my boys to lend - lend it
31 to me." So I lent him \$1,000 and he came back and said,
32 "Mate, is there any possible chance? I'll have it all to
33 you by Friday. I've just got something urgent to attend
34 to". To cut the story short it went up to \$6,000 that I
35 gave him and I've just - yeah, I'm - only for the fact is
36 that he - he will ring me every single week and say I'll
37 have - "I'm getting it off my sister". Out of principle I
38 just go there and try and collect my money off him, for the
39 fact is that he - he told me that, you know, he'd have it in
40 three or four days.

41
42 Just to go back to these 40-odd bets that he allegedly put
43 through you, that's similar timing to Mr Whyte. How did he
44 transfer money? You've said that on occasion he gave you a
45 cheque or cheques and that on occasion they bounced. How
46 else did he pay you for the bets that he placed through you?--
47 --I don't believe that he would have paid - well, it would
48 have been two ways; either (1) cash which I don't think there
49 was, or (2) cheque. So I'm saying cheque.

50
51 Do you recall him giving you cheques?---Yes.

1
2 Okay. And then you would bank those cheques?---Bank - bank
3 the cheques, yes.
4
5 And were the cheques - did the cheques come from him? Can
6 you recall who they were from?---No, I can't. No. Because
7 in actual fact no, he - he would never pass me the cheque.
8 The - the cheque would be deposited into my bank account
9 whereas in Paul's case he would give me the cheques and I
10 would see the names. In Craig's, no.
11
12 How would you know the money that was deposited into your
13 bank accounts, or the cheques, were from Mr Dale?---Well,
14 because I'd be looking for them. You know like I mean you
15 know you owe \$5,000 and I've got \$38 in the bank or I've got
16 whatever I've got in the bank. Hasn't hit. All of a sudden
17 it's hit now. I mean, because I'm - I've already told the
18 credit manager at the betting shop that, you know, I'll have
19 the money by Friday for you so I'm logging in every hour -
20 there it is - to pay.
21
22 Did you ever have to chase Mr Dale?---Yeah, yeah.
23
24 Regularly?---Yeah, yeah.
25
26 Okay?---Yeah.
27
28 And what would he say in response to you chasing him? Where
29 was he getting the money from, did he ever tell
30 you?---No, no. No, no. No.
31
32 Did he ever promise you different things in return for wiping
33 off some of the debt?---No. No. No. No, the only thing
34 that I - the only thing I did - did with Mr Dale was that,
35 well, you know, is when - I - I suppose you want to - do you
36 want to finish this first? Yeah.
37
38 Carry on?---Yeah, I - well, the only thing he - well, I did
39 with Mr Dale was I bought two blocks of land on my own
40 accord, through no contact with any single person in the -
41 through Paul, nobody. Only - the only fact is my wife, her
42 best friends were living in Karratha and we are talking about
43 a mining boom in Karratha and I bought two blocks of land
44 through - I went on Internet, through Ray White. Now, one
45 was \$96,000. They were a thousand square metre blocks. And
46 I sold them to Fortescue Metals, the two blocks of land. So
47 at that time Mr Dale was working up north and I said -
48 because I - I had been successful with the land so I thought
49 the best I'll do is I'll go back and find - try and look for
50 some more land. I mean, why wouldn't I? I've -I've sold
51 them, I've been successful. So he actually straightaway had

1 two blocks of land he found for me in Roebourne. Fantastic.
2 I think they were a thousand square metres. I mean you -
3 you probably would've seen a record. I went to the National
4 Bank to try and borrow the money, to get the money for the
5 land. I - I couldn't - couldn't borrow the money, asked my
6 wife's sister could she. No, she couldn't get it. So then
7 that's obviously when I went to Rob. In that time, I paid
8 Craig Dale money for finding the land for me.

9

10 Like a finder's fee or a - - -?---Finder's fee, yes.

11

12 So did you pay him the money - sorry, at what stage did you
13 pay him the money?---Well, I paid him the money I think
14 before settlement.

15

16 Before you - - -?---Before I settled on them, yeah. I
17 remember he put up - obviously because - again see how people
18 work, there's - there's a finder's fee for him so I think he
19 pushed the fact is that, "Mate, you better get these two
20 blocks; they're going to sell, they're going to go,"
21 whatever. So it made me - I'm thinking I can make some good
22 money out of these blocks. I already sold two, sold them to
23 Fortescue Metals; I'll buy these other two. I couldn't get
24 the finance so that's when Rob come in, into - into play to
25 buy these two blocks of land. But Craig got a fee out of
26 those, yes.

27

28 Okay. And at what point, sorry, did you say you paid him
29 the fee? Before you settled on it?---Yeah, I'm - I'm not
30 sure whether I paid him cash. I'm not sure. Maybe at that
31 time I - I - I may - he may have owed me three or four
32 thousand or five, I don't really know. Maybe that could
33 have been a - a case I might have - I may have said, look,
34 you know, take it off what you owe me and pay him the balance.
35 I remember him coming out - coming out to my house and I'm
36 not sure whether I paid him three or four thousand cash or
37 I'm not - not a hundred per cent sure how I paid him. I
38 mean obviously you may have records and then you can tell
39 me, I don't know.

40

41 Just before we - I do want to come back to that but I just
42 want to go a little more chronologically. So you said you
43 bought two blocks, approximately a thousand square metres,
44 which you sold to FMG. Where were these two blocks?---In
45 Harding - Harding Street, Roebourne.

46

47 In Roebourne?---Yes.

48

49 Okay. And you said that your wife's friend told you that
50 Karratha was going off?---Yeah, Cherie and - Cherie and her
51 husband. Well, don't forget we're in a mining - mining boom

1 here so it's common knowledge that it was massive. In those
2 days I think they were paying - cos she would come down and
3 they were paying two and a half to three thousand a week
4 rent in these places.
5
6 This was in Karratha though, wasn't it?---Yeah, but - but
7 we're talking 12 kilometres out and I'm buying a thousand
8 square metre blocks for 96,000. So all I've done is I take
9 risks. I think hang on, I'll have a look at this - this. I
10 could have done my money on it. I mean, I could have bought
11 them - I never once spoke to any single person about you
12 know what you thought, what you thought, what you thought.
13 My wife thought I would - you know, what are you - what are
14 you buying them for. I just said, look, you know - we - we
15 discussed it and she said, look, let's go for it.
16
17 Did you discuss the Harding Street properties with Mr Dale?--
18 --Yeah, I told him that - the ones that I bought?
19
20 Mm?---Yes, I told him I'd done very well - which probably
21 made him go and find me two for the finder's fee.
22
23 What about prior to you selling them, did you discuss
24 anything about Harding Street with Mr Dale prior to you on-
25 selling them?---Sorry, Ms Pantano, just ask - - -
26
27 I'll ask it again?---Yeah.
28
29 Prior to you selling the Harding Street properties to
30 FMG - - -?---Yes.
31
32 - - - did you discuss them at all with Mr Dale?---No. No.
33 No.
34
35 Did you discuss them at all with Mr Whyte?---No, not at all.
36 Not one single word.
37
38 Was there any liaison between you and anyone from the
39 Department of Housing about them possibly purchasing the
40 Harding Street properties from you?---Not at all, no. These
41 - these are the ones I bought - - -
42
43 Yes?--- - - - myself, in my name. No, because I mean I - I
44 already sold these.
45
46 I'm talking about prior to you selling?---No. No, nothing.
47 Mr Whyte had no idea I bought them. Absolutely not one word
48 would he know that I bought those properties. The only thing
49 he knew was when I bought these other two blocks that's when
50 I went and saw - when I went and visited Mr Whyte and said

1 I've got two blocks of land he said, "Where have you got
2 them? Who did you do that through?"
3
4 Okay. I do want to come back to that but I just want to
5 stick with the Harding Street properties - - -?---Yeah.
6
7 - - - for the moment. So you said Mr Whyte wouldn't have
8 known that you'd bought the Harding Street properties?---
9 Definitely not.
10
11 Okay. And Mr Dale, did he know that you had bought them
12 prior to you selling them to FMG?---I would have told - I
13 would have told him after I'd - after I had bought them I
14 would have told them that I've actually did very well,
15 because I know he was working up there and - no, it would
16 have been after I'd sold.
17
18 Were you approached by the Department at all in relation to
19 them purchasing the Harding Street properties from you?---
20 No.
21
22 Can I have 13953357, please?
23
24 Mr Michell, you'll see a document come up on the screen in
25 front of you.
26
27 13953357^
28
29 **PANTANO, MS:** If you can scroll down to page 2, please?
30 Can we just scroll up so we can see the header?
31
32 So it's from the Department of Housing:
33
34 To whom it may concern. The Department of Housing has become
35 aware through our records that Silver Harvest Proprietary
36 Limited currently owns a residential block in Roebourne.
37 Lot 407 Harding Street currently has a burnt out property
38 situated on it. The Department of Housing is currently
39 reviewing Roebourne and, given that this block requires
40 demolition work before the block can be developed, the
41 Department of Housing would like to set up a meeting with
42 the view to purchasing this lot. If you would be interested
43 in talking to the department regarding this matter, please
44 give Craig Dale a call on -
45
46 - a phone number -
47
48 - to set up a meeting time. Again, we thank you for your
49 time and look forward to meeting with you soon. Kind
50 regards, Craig Dale, project officer, Roebourne Rejuvenation
51 Project, Department of Housing.

1
2 This is 24 Jan 2011. Now, it's not signed. Did you receive
3 this letter?---No way. I want to ask a question there, if
4 I had sold these blocks on my own accord, why would I want
5 to get Craig Dale involved in this? I would've never, ever
6 asked him - I mean, Craig Dale is obviously a very tricky
7 person. I would have never, ever asked him to send that
8 letter. I've already sold them myself - - -

9
10 Did you alert him to the fact that you had purchased these
11 properties prior to you sign them to FMG?---Maybe the
12 settlement - I'm guessing, maybe the settlement - they hadn't
13 been settled, but maybe I had told him I'd sold them. I
14 would have had to tell him I'd sold them, because I'm looking
15 for two more.

16
17 I appreciate you've said that. I'm asking before - my
18 questions are all around before you sold to FMG?---Yeah.

19
20 Because the Commission has got information which indicates
21 that Mr Dale - there are a number of things in relation to
22 these Harding Street properties that you purchased. One, it
23 appears that a letter was drafted, and I've asked you whether
24 you received this letter, and your answer is no. Is that
25 correct?---Definitely, no.

26
27 Okay. We're aware that Mr Dale requested surveys of these
28 Harding Street properties and requested and obtained
29 valuations of these Harding Street properties before you
30 sold them to FMG. So he was making inquiries about these
31 very lots that you had purchased after you had purchased
32 them, but before you sold them to FMG?---Well, I'd like to
33 ask Mr Dale - - -

34
35 **THE ACTING COMMISSIONER:** No, no. You're to answer the
36 questions, not to ask questions of Mr Dale?---I have no
37 recollection of that letter, wouldn't know why that letter
38 was sent. As far as I'm concerned, that letter has been
39 done with absolutely - not me having any idea about that at
40 all.

41
42 **PANTANO, MS:** So - sorry, continue?---Yeah - totally - no
43 - absolutely - no, no recollection - no, there's no way -
44 I've never seen that, no way I would have even asked him to
45 do that letter, unless that's, you know, part of the - you
46 know, how the hell he operates. I've got no idea. I don't
47 even know what - what would be behind it. I didn't need
48 him, didn't want him, had no idea - because even when I went
49 to Mr Whyte and told Mr Whyte that I had bought two blocks,
50 he had - he had no idea that he bought - that he had these
51 blocks.

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Again, we will come back to those blocks in a moment. I still want to stay on these Harding Street properties. So did you approach the Department of Housing at all about their possible interest in purchasing these Harding Street properties?---Absolutely not one single word would I ever have approached Housing, and if you can show it to me, I'll probably collapse on the floor, because I physically never.

Did Mr Dale advise you that these Harding Street properties were available prior to you purchasing them?---Absolutely not, not one word. I did it absolutely on my own - own accord. The only thing he got involved was - was when I alerted to him the fact is, I'd bought some blocks, told - obviously, told him the address - whether he's gone and done this on his own accord, I don't know, and I've going to give him a fee to get me two more blocks, that's all he would know. Whatever he's done, he - is totally beyond me, and I have no recollection whatsoever, and wouldn't know why he would even have sent a letter to Housing when I had no intention - if that was the case, I would have spoken to Paul about it.

No, he hasn't sent this to Housing, he's sent this - well, I'm not suggesting that it was sent, but it has been drafted, and it's been drafted on behalf of Housing, so he's drafted - well, his name is on this document on behalf of Housing. He hasn't sent this to the Department of Housing. His name on the bottom of this is as a representative, as a project officer, from the Department of Housing?---Obviously, we know now how these people work, but my point of view is that I have never, ever once asked anyone - Craig Dale or Paul Whyte - about any input to do with any land in Roebourne. I bought them on my own - I could have done my money on those blocks; I may not have sold them. And why or how he would send that letter be beyond me.

I'm finished with that letter, thank you.

THE ACTING COMMISSIONER: Before we go, Silver Harvest Pty Ltd, what's that?---I think I might have spoken to Mrs Black last time I came here, because I gave you wrong information, Commissioner, on a couple of the trusts. I think Silver Harvest is a trust account - - -

It looks like a company, so - - -?---I said this last time - - -

- - - what is it? Is it one of your companies?---Yeah, but look - I said this last time, my wife handles all this, and I gave you wrong information about the trust last time. I

1 rang Mrs Black back the next day and said, "Look, I
2 apologise, I've given wrong information about the trust,"
3 so - - -

4
5 Okay. So Silver Harvest Pty Ltd is a company which acts as
6 a trustee of something, and your evidence now is that it's
7 something that's managed by your wife?---Correct.
8 I've - - -

9
10 How would the author of that letter know about Silver
11 Harvest - - -?---Well, can you - - -

12
13 - - - unless you had told the author of that letter?---
14 There's no way - there would be no documentation, no wording
15 - we're talking to people who have got plenty of tricks here,
16 these people. I mean, is he clever enough, can he search,
17 can he find, can he get that information?

18
19 So you have no idea how Silver Harvest Pty Ltd came to be
20 mentioned in that letter?---I'm absolutely, totally
21 gobsmacked.

22
23 Mm hmm?---I can't even get my head around it.

24
25 Thank you.

26
27 **PANTANO, MS:** I'm finished with that document, thank you.

28
29 Have you heard of a product called Mattakai or Mattaki?---
30 Never.

31
32 The Commission also has information indicating that Mr Whyte
33 had some involvement in a pilot study using a particular
34 produced called Mattaki or Mattakai panels on the Harding
35 Street lots that you had purchased. Did you have any
36 discussion with Mr Whyte about the department possibly
37 purchasing the Harding Street properties?---Not that I can
38 remember, no.

39
40 Not that you can remember?---Well - - -

41
42 Or definitely not, because we've now got information
43 indicating that Mr Dale requested surveys, requested
44 valuations of the Harding Street properties. A letter has
45 been drafted to the owners, you and your wife, that Mr Whyte
46 has advised of the commencement of a pilot study using some
47 panels on those two very lots that you purchased, and this
48 is all during the time that you owned it. So cast your mind
49 back, Mr Michell, and think very carefully about whether you
50 discussed the possibility that the department would possibly

1 purchase these blocks from you?---My answer is no, because
2 why wouldn't I go down that road and do it?

3

4 **THE ACTING COMMISSIONER:** Did you or didn't you, rather
5 than asking questions?---The answer is no.

6

7 Thank you.

8

9 **PANTANO, MS:** Okay?---And that's to the best of my
10 recollection, you know what I mean.

11

12 So there was the two in Harding Street. Was there another
13 property in Crawford Way that you purchased, Crawford Way,
14 Roebourne?---Yeah, look, I - these ones that I sold to FMG?

15

16 You purchased 27 and 22 Harding Street, Roebourne?---Yes.

17

18 Not on the same day, so 27 Harding Street was purchased on
19 10 May 2010, 22 Harding Street was purchased on 22 October
20 2010, and Crawford Way, 34 Crawford Way, was purchased three
21 days later on 25 October 2010. Do you recall that property?--
22 --Yeah, I do. Are they the three that I - - -

23

24 Yes?---Yeah - - -

25

26 All three were sold on the day?---Yes. Yes, I do, thank
27 you. Yeah.

28

29 Okay. And how did you come to purchase this third property
30 in Crawford Way?---Well, I'm guessing here, but I would have
31 thought I would have just gone through Ray White and bought
32 them through them.

33

34 Yes, but how did you become aware that they were for sale?--
35 --Crawford Way?

36

37 **THE ACTING COMMISSIONER:** Yes?---Well, I presume how I
38 bought the first two. Look, mate - I want to give you and
39 be as truthful as I can with you guys, so, you know, I don't
40 want to say something and, you know, get it totally wrong.
41 There's two ways. Maybe, I bought it over the Internet -
42 through Ray White and saw it - or you may have information
43 to tell me that I didn't and maybe Craig has told me, but I
44 don't believe Craig told me, because the only reason - I
45 believe that the only blocks that he found for me were those
46 - were the other two. I don't believe anyone had anything
47 to do with these three. I think after me buying them, and
48 Fortescue having interest in them, I actually used to scour
49 and go through to try and look for them, but I'm trying to,
50 you know, tell you the best that I can remember, and if I'm
51 totally wrong, well, I accept what you tell me.

1
2 **PANTANO, MS:** After you became aware of Fortescue's interest
3 in these blocks, did you then go to the department, anyone
4 at the Department of Housing, and ascertain their interest
5 prior to your selling them to FMG?---Absolutely not one -
6 never. The only reason I went to the Department of Housing
7 was once they were purchased. I would have purchased them
8 in my own name, but I couldn't get finance, because I bought
9 - out of that, I bought a house in Mandurah, and went to get
10 the finance, which you can probably find documentation there,
11 so it's knocked back, and then went to my wife's sister.
12 She couldn't get finance. So then I went to Rob and
13 said - - -

14
15 Yes. I don't - we're going to the Hampton Street properties
16 in a minute. I don't want to confuse things, so I just want
17 to stick with these three?---The answer is no.

18
19 Okay. Thank you. Did you discuss them in any way, shape or
20 form, with anybody from the department?---The answer is no.

21
22 Okay.

23
24 Can I have 9734904^ please.

25
26 **THE ASSOCIATE:** 9734970?

27
28 **PANTANO, MS:** No, no, 97 - sorry, yes, 9734904^

29
30 **THE ASSOCIATE:** Thank you.

31
32 9734904^

33
34 **PANTANO, MS:** And if we could just scroll - sorry, actually
35 leave it at that point for the moment.

36
37 Now, Mr Michell, this is the document that the Commission
38 has obtained that was with Mr Paul Whyte. So the assertion
39 is that Mr Whyte has created this document. Now, you'll see
40 on the far right-hand column it's got Project Ref and it's
41 got one through to seven, and then it's got another column
42 that says Parties. It's got various details in the other
43 columns, including addresses, sizes of the land cost, land
44 value, built form, builder, build cost - if we can just
45 scroll to the far right - it's got deposits, market
46 valuation, completion and then strategy. Now, I want to
47 take you back over to the far left - I wonder if we can just
48 zoom out so we've got that, if it's still legible, so we can
49 see the full - can you read that okay, Mr Michell? I know
50 it's quite small?---On the right?

51

1 Can you read the figures at this resolution?---In which
2 column?

3

4 **THE ACTING COMMISSIONER:** No, no, the whole thing.

5

6 **PANTANO, MS:** Just the whole thing. Can you make out what's
7 - what's written, before I start going through it with you?
8 I just want to make sure that you can see that?---So are
9 these the houses I sold - - -

10

11 **THE ACTING COMMISSIONER:** Sorry - - -?---Blocks I sold?

12

13 Can you make it out? That's the question. It's a simple
14 one. Can you read, or do you want it magnified some more?--
15 --Magnified, sir. I don't really understand it. I'm
16 not - - -

17

18 No, no - - -

19

20 **PANTANO, MS:** We'll walk you though it in a moment?---I
21 don't understand this document at all.

22

23 Okay. I'll take you through it.

24

25 **THE ACTING COMMISSIONER:** Can you read it?---I can read it,
26 sir.

27

28 Good.

29

30 **PANTANO, MS:** So if we can go - so project reference, if we
31 can go to line 4. You'll see "Parties," it says GM?---Yeah.

32

33 And then it's got 27 Harding Street. That's the lot that we
34 were just - one of the lots we were just talking about -
35 vacant land only - so 27 Harding Street is a block that you
36 purchased?---Yeah.

37

38 And if we can scroll over to "Strategy," the last column on
39 the far right. It says either. "DOH buys land at valuation"
40 or "DOH enters into a final contract with GM to buy at
41 finished valuation, less dwelling cost, 200 profit". Can
42 you see that?---Yes.

43

44 Now, I'm not suggesting that you drafted this, it was
45 Mr Whyte, but what I'm asking you is, in light of this
46 document, in light of some of the other information that
47 we've got which indicates that Mr Dale and Mr Whyte had some
48 involvement in organising valuations and surveys of this
49 particular property, and a pilot study, it would appear,
50 Mr Michell, that there was discussions with you in relation
51 to the department purchasing 27 Harding Street from you?---

1 Then I can understand where you're coming from with that
2 too. Yeah, I can.
3
4 Does this jog your memory as to any discussions you had with
5 Mr Whyte about the department purchasing 27 Harding Street?--
6 --It doesn't really, because - I mean, I - any of this
7 document with figures, land sizes, building, Mr Whyte has
8 never discussed any of this - this is well and truly over my
9 head to understand anyway, so - I've never understood it,
10 and if it was the case, I don't know, why did I go ahead
11 with it? Or why do I sell them on my own?
12
13 What was your intention with those - when you bought those
14 properties, at 27 Harding street - - -?---Yeah.
15
16 - - - what was your intention?---My intention was to, you
17 know, hopefully that they spill from Karratha. I was told
18 that Fortescue Metals are looking at housing in Roebourne,
19 for the fact is that Karratha is filling up. We're in a
20 massive mining boom, and they're going to move a lot of their
21 workers, fly-in/fly-out workers, to Roebourne, and that's
22 the next town that will take off.
23
24 Okay, but what was your intention? Were you going to
25 maintain just the land and the on-sell it? Were you going
26 to develop it? What was your intention?---Well, I'm not a
27 developer, so basically, happy to - obviously, you know, to
28 sell the land, in which I did - so I sold the land and didn't
29 even look at any development, even though this is a
30 spreadsheet that has all these details. I - I don't have
31 any recollection - I didn't - I've never visually seen this
32 until you've put this in front of me today.
33
34 And I'm not suggesting that you have seen it, but what I'm
35 interested in is what discussions, if any, did you have with
36 Mr Whyte about the department possibly purchasing 27 Harding
37 Street from you?---Well, I feel disappointed in my response
38 to you guys, because I'm trying to tell you the honest truth,
39 and when you put this in front of me, it doesn't make me
40 look super brilliant. The fact is, there's a spreadsheet of
41 all this, but I physically have no idea about it and I never
42 pushed through or sold them on my own. I - when I first sat
43 here, I was - strongly said you I had no involvement, because
44 I was passionate about telling you, because I honestly
45 believed I had no involvement, and then you put this in front
46 of me, you know - I feel that, you know, that I've - it's
47 not a good - I say it's not a good look, but, but it makes
48 - you know, there's a grey area that, you know, I should
49 know something about it, but I don't.
50

1 Because it would appear - if we can scroll to the far left
2 - where it says "Parties", it's got GM. I would assert that
3 that's a reference to yourself - - -?---Yeah, totally
4 correct, yes.

5
6 Graeme Michell?---Yes.

7
8 Given that you did own 27 Harding Street?---Yes.

9
10 So how would Mr Whyte know? Do you know how he knew that
11 you owned 27 Harding Street if you didn't discuss it with
12 him?---Well, maybe I had mentioned it, you know, in
13 conversation. I mean - maybe it's possible. I - I mean, I
14 had - yeah, I definitely have no recollection of me - me
15 mentioning it to him, you know. And I just - I can't work
16 out why, if he's gone to this trouble - why didn't I go ahead
17 and do it? Why did I sell them?

18
19 That's what we're asking you, Mr Michell?---Yeah. Well,
20 like - I just don't have any recollection of this. I mean,
21 I - I'm not privy to this information. It's the first time
22 I've ever, ever seen this information being presented to me
23 and I - I totally understand where you're coming from is
24 that why, why would it be there? I mean, I - I don't - - -

25
26 And if we can go to line 5 again - you're GM - and it talks
27 about 1 Crawford, and then 2 Crawford. Now, we know - the
28 Commission knows that the address of the other two properties
29 that you purchased was 22 Harding Street and 34 Crawford
30 Way. So he's just got one, two, three there, so arguably,
31 that could be just his reference. But again, it talks about
32 vacant land and number 5 being 900 square metres. Now, the
33 Commission is aware that the property at 34 Crawford Way was
34 921 square metres.

35
36 We can scroll across to the right.

37
38 So if you look at line 5, so that's three up from the bottom,
39 under "Strategy":

40
41 No plans. Potential (indistinct) Mattaki build. SMC.
42 Presell before completion to DoH at 600,000.

43
44 Did you have discussions with Mr Whyte?---No, look, the -
45 the only thing I'm thinking of here, Ms Pantano, is that
46 well, I'm dealing with Craig Dale and Paul Whyte. And it's
47 easy to work obviously today of how they've operated. I
48 mean, I've alerted Craig Dale to it. The fact is, that I
49 had some land. I - I don't know. Has he told Paul? Are
50 they putting this project together to make a lot of money

1 out of it? I've got no idea. I mean, I physically don't
2 know anything about it.

3

4 **THE ACTING COMMISSIONER:** You own the land, if anyone
5 would - - -?---I own the land. I sold the land, sir.

6

7 If anything was going to make money out of, you know, the
8 sale of the land, it would be you, wouldn't it?---Well -
9 yeah, but maybe they've done these or figures or crunched
10 these figures to see what they can make. I've got no idea.
11 Like I mean, why - why would they go and crunch all these
12 fingers. But I mean, as it shows, I mean, there's - there's
13 that much fraud involved with Mr Whyte and Mr Dale that you
14 know - and - and we can see that now. So I'm - I'm doubting
15 all this documentation on my end. I've never cited this
16 documentation. It's never been presented to me ever. I've
17 never gone ahead with it and I've sold the land on my own
18 accord.

19

20 **PANTANO, MS:** They're not talking about the Department
21 making profit. They're talking about the owner of the land,
22 which is you, making profit. So if you can look four from
23 the bottom:

24

25 So either DoH buys land at valuation or DoH enters into a
26 final contract with GM to buy it finished valuation less
27 dwelling cost, 200 profit.

28

29 So that's not the Department making a profit or how much the
30 Department could make. It's about how much you as the owner
31 of the land could possibly make?---That's all very good if
32 - if I'm involved in it.

33

34 Right. So that's what I want to get back to?---I'm not
35 involved in any discussion to do with this at all. So if
36 I'm not - if I'm involved, different story. But I have no
37 involvement whatever with it. So whatever he's written there
38 about profit to GM, never once - well, why wouldn't I go
39 with it?

40

41 So if we can just put this in context, you were putting bets
42 on for Mr Whyte and in many occasions, he was in - you were
43 debt. Based on the debt - based on the bets that he had
44 asked you to put on for him.

45

46 At times, you were also in debt for bets that Mr Dale had
47 asked you to put on. Did you, bearing that as - as the
48 context in which this question's going to be asked, did you
49 have any discussions with Mr Whyte about him purchasing any
50 of these properties from you. And if you made a profit,
51 that his debt would be wiped?---No, no.

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THE ACTING COMMISSIONER: Or reduced, his debt would be reduced, that's an alternative. Did you have discussions along those lines?---I can't have recollection of - of saying that, because the - the debt - - -

So you - - -?---But hang on, sir, the debt is in my name. So it's my debt.

Yes?---Whether or not, you know, you take some off Mr Whyte or you, whatever, it's - I'm - I'm - if Mr Whyte is not paying it, I'm left with it.

PANTANO, MS: Yes. So what I'm asking you is, given that you - the debt was in your name, but it was actually Mr Whyte's gambling debts, that's the context, did he ever discuss with you the possibility of the Department purchasing any of these blocks from you and any profit you made from that would go towards that debt?---No.

Are you sure about that?---I'm - I'm sure. Mr Whyte never ever suggested that to me.

Did you - - -

THE ACTING COMMISSIONER: Did you - sorry.

PANTANO, MS: Did you suggest that to him?---Look, it's - it's possible I may have, you know, may have brushed over it. And I may have said, look, you know, if I do well out of it, this property never went ahead.

Just to go back?---Yeah.

You may have brushed over what?---I may - I may have - I'm not 100 per cent sure. I may have said to him, if I do well out of a property, you know, maybe, you know, I'll - I'll give you something. But there was never any - but this never went ahead anyway, so I'm just saying, I'm going to say no. I mean, I'm not going to give him something of it if it's something didn't go ahead with.

Well, what I'm interested in, Mr Michell, is were the discussions had between you and Mr Whyte whereby he said to you, "If I can get the Department to purchase any of these properties" - - -?---Never once - - -

- - - "at a profit" - - -?--- - - - did he ever speak like that. Never once.

Or words to that effect?---Never once.

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THE ACTING COMMISSIONER: Did you suggest that to him?---
No, and Mr Whyte - - -

Did you suggest that to Mr Dale?---Never ever.

Did Mr Dale suggest that to you?---Never. Never. Mr - no.

PANTANO, MS: Perhaps now might be an appropriate time for an adjournment. And Mr Michell can maybe cast his mind back. Because I do appreciate it was some years ago. But perhaps he can cast his mind back during the break and we can reconvene in 15 minutes.

THE ACTING COMMISSIONER: Thank you.

It would be helpful if you did cast your mind and reflect on the evidence you've given.

Thank you. We'll adjourn.

(THE WITNESS WITHDREW)

(Short adjournment)

(TIMESTAMP) / 12.43.56 PM

##footer## MICHELL, G.L. # XN
MICHELL, GRAEME LEONARD RECALLED ON FORMER AFFIRMATION AT 12.08 PM:

THE ACTING COMMISSIONER: Please be seated. Thank you.

Yes?

PANTANO, MS: Mr Michell, having had some moments to think about the evidence that's been put before you, is there anything you wish to add to your evidence so far?---No, not really. The only thing I want to say is that I - I have just had no discussions at all face-to-face with Paul Whyte ever in my life about anything to do with fraud with the government. If - if I've done wrong, I have - I've - I've done wrong. But there was no intent my end and I - and I have to obviously, you know, take it on and - and vigorously defend whatever's going to come my way. But I have never ever once sat around a table, never sat and had a coffee, never said "We're going to this. This is how we're going to do it. We're going to get this". Not one single word. I mean - - -

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THE ACTING COMMISSIONER: None? What about the phone? Have you communicating with him about those matters in any other way other than a face-to-face meeting?---Well, obviously, are you talking about - - -

No, what I was noting, I suppose, Mr Michell, is that you came in, you said you'd thought about it. And what you said was "I've never sat down with him around the table at a face-to-face meeting and discussed fraud. Sitting around the table face-to-face isn't the only way that you can discuss or organise fraud. I'm surprised about the limited extent of your denial?---Well, sir, I'm telling you now, I have physically had done nothing with Mr Whyte, no conversations at all. I bought some land. I've sold at FMG. Whether or not he's put spreadsheets out, done whatever he's done, it's got - I've had no involvement in that for a start, anything to do with that. It's basically - I mean, why wouldn't I go ahead and do it? Why - why didn't we do that deal with then with Mr Whyte? I mean, I don't understand about, you know, half of these spreadsheets. I wouldn't even know what they're talking about, Mattaki and that. I have no idea what it means. Yeah, there's something about Mattaki product. I - I wouldn't even know what Mattaki is.

PANTANO, MS: Let's talk about the blocks of land that were sold to the Department. Hampton Street. Tell me about those blocks?---With Mr Ottone?

Yes?---Yes. Okay. Well, basically, those blocks of land, because I'd had success in Roebourne selling them to FMG, I was keen to go back and - and find some more. I was happy, basically, to do it as a - a land - a land sale. I'd already done one previously. So looking at another one. I spoke to Craig Dale. He was up there. Said "Is there any - anything around? Let me know". I was keen. I mean, if I've made money out of something, I'm keen to go back and - and have another look. So he I think was quick off the mark. Found me two blocks of land. As I said earlier, I couldn't get finance for them. I then spoke to my sister-in-law. She couldn't. And then I've got a great mate for 20-odd years in Melbourne. Explained to him that I'd, you know, done well in Roebourne on two blocks of land. I've got another couple which we can buy. I think we'll do very, very well out of it. You know, can you - can you raise the finance? He raised the finance, purchased the land. And I - I benefitted out of it. Out of that. I then with those two blocks of land, I had no idea they didn't have amenities because we wanted to go back and sell them as land. And there was no - I don't think there was any sewerage and I don't think there was any power. So we were told that the

1 best way to do those two blocks, obviously you'd be better
2 off to look at a development. You can't sell them as land.
3 So in that case, I went to Mr Whyte, told Mr Whyte, "I've
4 purchased two blocks of land in Roebourne". Mr Whyte said
5 "Where did you get them from". I said, "Craig Dale found
6 them". At that time, what are you doing dealing with him.
7 And he - and I said "Okay. So he's found the land for me".
8 Mr Whyte then - I left it with him and said "Mate, you know,
9 if you can do anything with it, you know, see what you can
10 do". He I don't - I think then came back to us and said
11 "Mate, it looks like we need to - we need some accommodation
12 up there for" - I'm not sure if it was police or something
13 up there. And he said - because in the meantime, I'd asked
14 also - Mr Whyte had already said that they purchased, you
15 know, a lot of properties every year. The government
16 housing. So he - I just left it with him. He then came
17 back and said "Look, I've had a look at them". He said "We
18 do need some accommodation up there". He said "They will
19 probably come - we can do something". He said "Looks like
20 - I'm not sure how we'll do it. You may - Rob may enter
21 into a building agreement or a land agreement or something".
22 But he said "I'll just liaise with - with - you know, with
23 you down the track and basically what - what - it wasn't my
24 property. It was in - in Rob's name. So I sort of felt -
25 I felt obligation, you know, to basically oversee getting
26 something done with them because I - I put Rob into them.
27 And the only reason that he - he got involved was under my
28 recommendation.

29
30 Okay. And the Department ended up purchasing them?---I
31 believe so, yes.

32
33 You believe so or you know so?---I know - I know so. Yeah,
34 they - yeah, that - yep.

35
36 So Mr Michell, the one thing that's a little bit - I'm
37 unclear about is that you said given the success that you
38 had had with your previous three properties when you sold
39 them to FMG, that then led you to want to buy more land to
40 see if you could make more of a profit, which would make
41 sense. Except you didn't sell those properties until the
42 beginning of January in 2012 and the Hampton Street
43 properties were purchased in - at the end of March 2011. So
44 at the time the Hampton Street properties were purchased,
45 you hadn't sold the other three properties yet. So tell me
46 about how that worked?---Don't know. Were they listed? I
47 got no idea. Were they listed with the agent? Was there
48 something in - - -

49
50 Well, what, Mr - with what agent?---The properties that I
51 bought. Were they listed with Ray White at the time?

1
2 I'm not sure. Perhaps you could advise me of that?---I can't
3 remember, yeah.
4
5 But you said it was because of - September 2011, I've been
6 advised that they were listed with Ray White. So that is
7 still some many months after the Hampton Street lots were
8 purchased. So if your motivating factor to purchase Hampton
9 Street was because you'd made such a good profit on the other
10 three properties, that can't have been the case,
11 because - - -?---Well - - -
12
13 - - - they hadn't even been listed for sale yet?---Well, I
14 mean, obviously, let's take into account a mining boom. The
15 mining boom was - was crazy then, so - - -
16
17 Karratha, yes?---Yeah, well, I mean, Roebourne's 12
18 kilometres out of Karratha.
19
20 I've been told it's somewhat in the range of 50 to 55 Ks.
21 But in any event, you hadn't realised any profit yet. You
22 hadn't even listed them for sale yet, so what - why did you
23 purchase the Hampton Street properties?---Well, I was
24 obviously confident in that time that Roebourne was going to
25 - was going to be successful for me.
26
27 Were you already made aware or given any assurances from
28 anybody from the Department, including Mr Dale, that the
29 Department would purchase those blocks from you?---
30 Absolutely not, no. No, absolutely not.
31
32 So why did you purchase properties that were unserviced at
33 a time when you're already holding three other properties?--
34 --Well, Mr - I didn't know they were unserviced at the time.
35 So Mr Dale, his motivation obviously up north. Up north is
36 going crazy. There's that much progression up there. He's
37 got a - a kickback for finding the properties for me, so
38 maybe he's pushed me into the properties, I presume, I and
39 - and I've elected to buy them.
40
41 I'm not interested in Mr Dale's motivation. I'm interested
42 in your motivation, Mr Michell. What was your motivation in
43 purchasing those properties, the Hampton Street properties?--
44 --Well, I - I felt I - I'd be successful in - in Roebourne
45 with this land.
46
47 Tell me about the instructions you gave to Mr Dale in finding
48 land for you?---I - I just - I can't remember, you know - - -
49

1 Not word for word, the general gist?---I - I just can't
2 remember going back that time exactly what I said - would
3 have said to Mr Dale. I mean, it's just - - -
4
5 Why did you go to him?---Because he was working up there.
6
7 How did you know that?---He told me.
8
9 Right. But you've also said that when you've described your
10 relationship with Mr Dale, my words, but it wasn't a very
11 positive one. You said you didn't trust him?---No.
12
13 Anything - a lot of things he told you were lies?---Yep.
14
15 They weren't your exact words. That's my interpretation of
16 what you told me. So why then would you go to this man that
17 you don't trust to give you information about
18 potential - - -?---Well, I wouldn't think that land - you
19 can do much with land. I mean, you can't make much up about
20 land. I mean, there it is. So that's how many square meters
21 there is. There's the price. That's it. I'm not entering
22 into any dealing with Mr Dale. Basically, he's working out
23 there. He's - he's operating out of those areas. I - you
24 know, so I just used him to - to find me some land. I didn't
25 think there was much risk in that.
26
27 What was he doing up there?---I don't know. No idea to be
28 honest with you. I just know he was up - up and down, north,
29 regularly.
30
31 Doing what though?---I don't know.
32
33 Do you know who he was working for?---No. I just think
34 himself as a - as a contractor. That's what I thought.
35
36 Contractor to whom?---Well, I presume to Housing.
37
38 Right. So you assumed that he was contracting to the
39 Department of Housing?---Yes.
40
41 Okay. And you said you gave, your words, a kickback to him?--
42 --Yes.
43
44 Did he ask for it or did you offer it?---No, I think I -
45 well, I may have offered it, yeah.
46
47 You may have or you did?---I - again, I mean, this - it's -
48 I'm not - when we're going back so much time, you can't be
49 100 per cent sure exactly the wording that he used, but - - -
50

1 And I'm not asking for the exact wording. I'm just
2 asking - - -?---I'd say possibly.
3
4 Possibly what?---Yeah, yeah, possibly I offered it to him,
5 yes, or he may have turned around and said to me "Mate, if
6 I find you something, you know, can me get some". I - I
7 don't know. Either I've said something or he's said
8 something. One of the two.
9
10 And did you pay him that kickback?---Yes. As we said
11 earlier. You asked me that earlier. And I - - -
12
13 How much?---And I said yes. Well, I was unsure of that
14 figure.
15
16 Approximate?---I think I said could have been between five
17 to 10,000 I think.
18
19 I don't think I actually asked how much earlier, so it was
20 approximately five to 10,000?---Yeah.
21
22 How did you come up with that figure?---As I said, I think
23 he came back to my house and I may have given him some cash
24 or he may have, you know, wanted to - may have had a horse
25 in on Saturday. I don't know. There's - I'm not - I'm not
26 100 per cent sure. I just can't nail those questions 100
27 per cent correctly.
28
29 But you think you paid him cash?---I may have paid him some
30 cash or I may have - he may have said "Leave me in credit
31 and back a horse for me on Saturday". Could have been
32 something like that.
33
34 Do you recall physically handing Mr Dale any money?---I think
35 I might have given him three or \$4,000, yep.
36
37 In cash?---In cash, I think.
38
39 Not a cheque?---No.
40
41 And at what stage did you give that money to him? What stage
42 of the purchase of these lots?---Yeah, no, I don't think
43 they'd been settled. I think I'd just given him on - on -
44 on - before settlement.
45
46 Before Mr Ottone had settled on them?---Yes. Yep.
47
48 What information - sorry. Did he give you any information
49 or indicate at all that the Department might have been
50 interested in looking at those blocks?---No. No, he didn't.
51

1 All right. So after you settled on the blocks, did he give
2 you any indication that the Department may have been
3 interested in acquiring those?---No. No, he - he - he didn't
4 at all.

5
6 Now, you were very clear earlier, you said that you
7 definitely did not go to Mr Whyte and speak to him about the
8 other three lots in Roebourne that you had purchased. You
9 - you were very definite about that?---Yeah.

10
11 Why then in relation to these lots did you go to Mr Whyte to
12 see if he could do anything about them?---Yes, because the
13 other ones we - we sold, I decided to sell them as land.
14 And these ones, when I wanted to, I said "Rob, maybe we
15 suggest to sell them as land". We were advised - someone
16 advised us that because there was no services on them - I
17 don't really understand building. But you'd be - it'd be
18 better off if you actually built something on the two blocks
19 of land. So a project of some sort. So then I went to Mr
20 Whyte, I told him. He didn't even know we - we had them. I
21 told him I had those two blocks of - of land. And said "Do
22 you want to have a look at them. You're doing a lot - they
23 were doing a lot of work up north. And you know maybe you
24 could use them". He - he just said he would have to look at
25 - look at them, speak to people in - in his departments and
26 he would come back to us.

27
28 So why was it only because someone had told you that they
29 may - the better option was to develop them, why was that
30 your motivating factor to go to Mr Whyte and ask if he had
31 any interest in them?---Well, for the main reason that it
32 was common knowledge that they would get - Government
33 housing, that they buy houses and they do projects, you know,
34 on a regular basis. I didn't think there was anything wrong
35 with asking Mr Whyte, if you're interested in - Mr Whyte can
36 have a look at the properties, he can lie it all up, yes or
37 no. I didn't - I didn't have any more involvement after -
38 after - after that. I mean, I - I didn't go and say, you
39 know, "What are you going to do - what - what - what are you
40 going to do with them. What - what are you going to put on
41 them". He basically came back to me, and I can't remember
42 how long it was, and said "Mate, we actually need to build
43 some" - I think it was accommodation for the - I think he
44 said for the police force is - is what they were building.
45 So that basically, I just left it all with him and never
46 really had any, you know, a lot of dealings with it.

47
48 I'm going to take you back a step. You're looking to purchase
49 property for investment purposes, which is why you purchased
50 the Hampton Street lots, was it not?---Yes.

51

1 Why wouldn't you find out if the blocks were serviced before
2 you bought them?---Yeah, probably - probably dumb. Yeah,
3 and the fact is that - yep. I'm - I'm not a - I'm not a
4 builder. And I didn't think there was a lot of risk. Because
5 don't forget, the size of the blocks and the amount of money
6 you were paying, you know, you're talking like, you know,
7 round \$100,000 for a 1,000 square metre block. It - you
8 know, it wasn't a million dollar block of land.

9
10 No, it was half a million, just under?---For money blocks?

11
12 For both lots - - -?---Yeah.

13
14 - - - \$452,544 were paid?---Okay. So I think these ones may
15 have been 2,000 square metres, weren't they?

16
17 Regardless, it was just under half a million dollars that
18 you paid?---Yeah. Okay. And I what I'm saying is obviously
19 I'm talking about 1,000 square meters for 100,000. So now
20 I'm talking about 2,000 square for 200,000. So as far as I
21 was concerned, not that I'm a expert on real estate. I just
22 looked at the fact is, 2,200 square metres of land for
23 \$200,000, how cheap is that? That's - - -

24
25 But you didn't have the money to fund it?---No, I didn't.
26 But I mean, I - I had to place it, you know, with my - either
27 my sister or - or my mate. That's it. I mean, I could have
28 got it wrong. I mean, if all of a sudden if Housing don't
29 pick it up as a project, well, I don't know. Maybe I - I'd
30 sell it as land. I got no idea what I would have done with
31 it. I mean, I would already - been - obviously I was coming
32 up to being successful with my land, so even if the Housing
33 didn't pick it up, I could have probably just sold it at an
34 elevated price for the land.

35
36 But you didn't know at the point of this purchase, the
37 Hampton Street purchase, whether you were going to be
38 successful with the other blocks?---All we knew was there
39 was massive hype. Every single person. We're in a mining
40 boom. Even the mug on the street can read you're paying two
41 and a half thousand a week for a three-bedroom rental.

42
43 In Karratha?---In Karratha. This is - this is 18 kilometres
44 out of Karratha. Karratha is full. So therefore, I'm buying
45 land, 2,000 square metres for \$200,00. I mean, it is
46 extremely cheap in my eyes for that type of land.

47
48 **THE ACTING COMMISSIONER:** You said earlier that you didn't
49 think that there was a lot of risk associated with the
50 project, with the purchase of these two pieces of land,

1 didn't you?---Yeah. Yeah, possibly, sir, yeah, if that's
2 what I've said. Yep.
3
4 Well, it was, you know, five minutes ago?---Well, sir,
5 there's a lot - - -
6
7 Do you remember saying that?---Well, to be honest with you,
8 I - I probably can't. Because you got to remember, I only
9 sit here once, you know, once every three months. There's
10 a massive amount of questions you - I'm doing my very best
11 to give you the correct information.
12
13 But you said that there was not a lot of risk with the
14 project not five minutes ago, do you accept that?---Yeah.
15 Okay. Yeah, I accept that.
16
17 I put it to you that there was not a lot of risk with the
18 project was because you'd already had your conversation with
19 Mr Whyte and he'd said he was going to do something about -
20 with the land?---I - we'd already purchased the land, sir.
21 We'd spoken to Mr Whyte after the purchase. So if Mr Whyte
22 had said - why did Mr Whyte - he - he could have easily said
23 "We're not interest in this project. It doesn't suit us".
24 That's the end of it.
25
26 I'm putting to you that the conversation took place earlier?--
27 --Sorry?
28
29 I'm putting to you that the conversation took place earlier?--
30 --No, disagree.
31
32 **PANTANO, MS:** What about with Mr Dale?---Disagree with
33 Mr Whyte. Totally disagree. Because when I - when I spoke
34 to Mr Whyte about it, he knew nothing about the blocks and
35 said "Who did you deal with for these blocks".
36
37 **THE ACTING COMMISSIONER:** Mr Michell, the question from
38 counsel was, what about Mr Dale?---Well, I had a conversation
39 with Mr Dale because he found them. But no - no conversation
40 with Mr Dale doing anything with them. Absolutely nothing.
41
42 **PANTANO, MS:** Mr Dale - is your evidence that Mr Dale didn't
43 mention anything about any possibility that the Department
44 may purchase those blocks off you?---Well, look, possibly he
45 may have. But I mean, in his case, as we said earlier,
46 whatever Mr Dale said, I'd divide and half-divide cos I had
47 no faith in Mr Dale. Even though, yes, he's found me these
48 two blocks. But I had not faith in whatever Mr Dale would
49 say. So I wouldn't take that on board whatever he said to
50 me.
51

1 So you're outlaying or you're - you've advised a mate to
2 outlay almost half a million dollars based on advice that Mr
3 Dale has given you. So you must have placed some weight on
4 what he said if you're advising a friend of yours to part
5 with almost half a million dollars, are you not?---I'm going
6 on the fact of - and I'm repeating myself, that we are
7 looking at a mining boom that is going mad. How many times
8 - you - you know, your parents would have said "I could have
9 bought this house for \$200,000. It's now worth 800". My
10 guess is, if I buy this land, at 2,000 square metres, it
11 could be a lot of money in three, four or five years.

12

13 That may be the case, Mr Michell, but - - -?---And that's
14 why I bought on that proviso. Not on the proviso of that
15 I've had a conversation with Mr Whyte that never took place
16 at all before I bought it. Not a conversation saying "We'll
17 buy this. We'll build this. Do that". None whatsoever.
18 Mr Whyte could have easily said to me, "Mate, there's nothing
19 we can do. It doesn't suit our budget". That's the end of
20 it.

21

22 **THE ACTING COMMISSIONER:** And then you wouldn't have gone
23 into the transaction?---Sorry, sir?

24

25 And then you wouldn't have gone into the transaction?---I'd
26 already done the transaction. The transaction was done
27 before I'd even spoken to Mr Whyte. There's - there's -
28 there's nothing about speaking to Mr Whyte before this
29 transaction at all.

30

31 **PANTANO, MS:** So let's go back to Mr Dale. You said Mr Dale
32 may have said something to the effect that the Department
33 may be interested in buying - - -?---And yes, in fact, the
34 more I think about it, I'm saying no to it.

35

36 Yes, why is that?---To be honest, I don't think he - I don't
37 think he did it. Cos my intention was that I was going to
38 - my intention with Rob was that we'll resell the land. So
39 therefore, I didn't really need any involvement with Craig
40 to do anything with the land. I'd already had a successful
41 land package.

42

43 No, you hadn't, Mr Michell. And I'm sorry to interrupt you.
44 But your other three blocks were not even on the market.
45 September - - -?---Well - - -

46

47 - - - 2011 they were on the market. This block was purchased
48 the end of March 2011. So you weren't successful with the
49 sale of those blocks yet?---Well - well - well - we were
50 predicting a successful - we were predicting these were going
51 to be successful. So that's the reason.

1
2 Had you had any other property investments or been involved
3 in any other property deals with Mr Ottone prior to this
4 one?---Yes.
5
6 How many?---One.
7
8 Okay. Had you been involved in the property deals with
9 Mr Ottone where he had fronted all of the money?---Yes, I
10 think one and I had to pay him back.
11
12 Which property was that?---In Mandurah.
13
14 He fronted - he came up with all the money did he?---Yes.
15
16 And you paid him back?---I had to get a loan. I couldn't
17 get a loan at the time for it. I mean, I know you say, like,
18 look at the land, why would you do that? The same thing
19 happened was I just thought the canal properties in Mandurah
20 would go through the roof cos we had a little one. And I
21 just thought, you know, that they would - you know we'd make
22 a lot of money out of it. So when next door came up, I said,
23 mate I - he loved coming to Mandurah. Loved coming to Perth.
24 He used to come every year. So I said "Look, this is
25 available". I said, "Mate, I think we'll make a lot of money
26 out of this property". And I - I couldn't get the finance.
27 So he got his - the finance through Commonwealth Bank. And
28 then I think my finance come about 12 months later, in which
29 I paid him back.
30
31 How did you get that additional finance?---I think I got it
32 through his Commonwealth Bank manager that did his loan for
33 him.
34
35 So let's just - let's go back to the Hampton Street blocks.
36 You went - after you purchased them, they settled. Mr Ottone
37 fronted all of the money, is that correct?---Correct.
38
39 Did he have - pay that in cash, do you know, or did he have
40 to get a loan?---No idea. A loan - loan of course, yeah.
41
42 So no idea or - - -?---No, loan. He would have got a loan.
43 He would - - -
44
45 Right. Just your first answer was, no idea?---Well, I - I
46 don't know about Mr Ottone's - what the financial of his
47 situation, but I would think he got a loan, I would think.
48
49 Did you discuss with your friend, who's about to front half
50 a million - almost half a million dollars on your

1 recommendation how he was going to fund this purchase?---How
2 my - how Rob was going to fund it?

3
4 Yes, did you speak with him about how?---I didn't really ask
5 him. I just said "Can you - can you borrow the - can you
6 obtain or borrow the money". That's the only question I
7 asked.

8
9 And do you know whether he did borrow the money from a bank
10 or did he have it in cash?---No, no, he would have borrowed
11 it.

12
13 You - you know that for certain?---I - I don't know at all
14 for certain. I'm just - I just - I don't know.

15
16 Did Mr Ottone tell you whether he borrowed the money?---Yes,
17 through the Commonwealth Bank, I believe.

18
19 Right. Okay. Excellent. So he's borrowed the money from
20 the bank and he's purchased this property outright. Did you
21 contribute any money to it?---I can't remember.

22
23 Why not?---Well, I'd like to remember, but I - I - I've -
24 I mean what do you want me to say? Do you want me say maybe?
25 I don't know. I don't think I did. My gut feeling is I -
26 I - I don't believe I did contribute anything to it. I - - -

27
28 What was the arrangement that you had with Mr Ottone in
29 relation to this property?---Well, whatever we - whatever
30 we'll make, make - if we make any money - we didn't know
31 where - we had no idea when we purchased what we were going
32 to do, were we going to sell it for land or whether we're
33 going to make any money. So there was nothing - I - I didn't
34 see any documentation or know of what the property was going
35 to bring. So I think it was going to be a 60 or 70 per cent
36 split. Probably 65 or 70 to him and 30 to him I think,
37 something like that, of the profit.

38
39 So you were going to get approximately 60 per cent of the
40 profit?---Something like that.

41
42 And we was going to get - sorry?

43
44 **THE ACTING COMMISSIONER:** I think he said 65 to 70.

45
46 **THE WITNESS:** Something like that, yeah, 60 to 40,
47 somewhere.

48
49 **PANTANO, MS:** So why were you going to benefit more than he
50 was and he was the one carrying the financial risk?---Well,
51 I - I found it. I - I live in Perth. I believe that, you

1 know, that was the - that was - I don't think we actually
2 discussed. I think through the wash-up, I think that's what
3 the wash-up was. But I don't think we discussed at the stage
4 what we're going to get, because nobody knew.
5
6 Well you may not have discussed exact dollar figures, but
7 percentage-wise, what was the arrangement. We had no
8 arrangement to start until basically at the end, to see
9 what's made (indistinct). So there was - there was nothing
10 - nothing set in stone at the start. Because we couldn't
11 set anything in stone because we didn't know, you know, what
12 we're going to make.
13
14 Well, you were anticipating making a profit, were you not?--
15 --Of course, yes.
16
17 Right. Otherwise you wouldn't have purchased the property?--
18 --No, no, no.
19
20 Okay. So you were anticipating making a profit. What was
21 the arrangement between you and Mr Ottone as to the - what
22 was going to happen with the profit?---We didn't - we didn't
23 discuss that at the start. I had no discussion because we
24 had no idea what we were going to make.
25
26 Okay. Then at some point, you then discussed and you said
27 possibly between 60 to 70 - 60 to 40 split?---Yep.
28
29 Okay. And you believe that Mr Ottone got out - had to get
30 a mortgage?---I believe so.
31
32 Who paid the mortgage repayments?---I'm - I'm pretty sure
33 Rob did, yeah.
34
35 Did you?---No, I can't remember to be honest with you. I
36 mean, you'd obviously have the information. I - I just
37 physically don't - can't remember. This was - this type of
38 - going back seven or eight years ago you've got to remember
39 this was a really bad time mentally; traumatic, brain-fried
40 and not functioning brilliantly. So it was a - a shocking
41 period of my life so therefore I struggle to remember a lot
42 of this. I want to remember. I want to give you correct
43 information. I don't want to zig and zag, I want to tell
44 you exactly you know. But I don't want to say the wrong
45 thing either and you know and I mean you've asked me about
46 the - the stuff before, put it up on the screen and I was
47 gobsmacked. I - I gave you a definite "no" as an answer
48 because that's what I believed it was. So I just don't want
49 to get things wrong.
50

1 It's just that you are very definite on some things,
2 Mr Michell, and the things that you are very definite on are
3 some of the conversations you've had with Mr Whyte, yet when
4 I'm asking you details about conversations you've had with
5 a good mate of yours you're not so certain and I'm just
6 wondering why that might be the case?---Well, I - I'm just
7 not sure how - how it was structured. I mean, maybe I did
8 pay half the loan. You know, I mean it - what - what do you
9 want me to say? I mean, if I don't know - - -

10

11 The truth, Mr Michell?---If I don't know, do you want me
12 just to have I don't know?

13

14 **THE ACTING COMMISSIONER:** Yes?---I don't know.

15

16 If you don't know you don't know?---That's it. I - I mean
17 I find that I'm - - -

18

19 But what we'd really like for you to do is tell us the truth,
20 the whole truth?---And that's what I'm trying to do. I find
21 I'm getting pressured into actually giving an answer and I
22 feel like I may be giving an answer to you that I'm not
23 thinking it through clearly. Because if I say no, you know
24 you say, well, you know why don't you know this, why don't
25 you know that and I'm - I'm feeling - I'm feeling ambushed
26 in - in - into saying things that may not be correct.

27

28 **PANTANO, MS:** The Commission is just trying to understand
29 how this transaction occurred and details relating to this
30 transaction?---I totally understand.

31

32 So if you need time to cast your mind back and think about
33 your answers or you would like a break - - -?---Yes.

34

35 - - - please just let us know?---Okay.

36

37 So you went to Mr Whyte, asked if he could do anything with -
38 about these blocks once you found out they were not serviced
39 and that it would be better for you to develop the blocks?--
40 --I didn't know they weren't serviced. Mr Whyte told me
41 they weren't serviced.

42

43 How did that conversation come about that Mr Whyte told you
44 that they weren't serviced?---Well, I presume he would have
45 done a search on the property I'm - I'm - I'm guessing. I
46 don't know. I mean, I've said to him I've got - Rob's picked
47 up two blocks of land. He asked me where did you buy them
48 through, I said Craig Dale. "Why would you deal with him?"
49 I said, "Mate, it's - he was up there." I said you know, "I
50 had some success with, you know, some other - other blocks
51 I'd bought cheap, you know," so - - -

1
2 I'm going to have to stop you there, Mr Michell, because
3 your story has changed. So earlier you said to me that you
4 went to Mr Whyte with - with these blocks after you found
5 out they were not serviced and after you found out, someone
6 told you, you can't recall who, after you were told that the
7 best option for yourselves were to develop the blocks rather
8 than sell them as land and it was at that point that you
9 went to Mr Whyte. But now you're saying you didn't know
10 that they weren't serviced when you went to Mr Whyte and he
11 told you that. So which version is correct, Mr Michell?---
12 I think it was Mr - I - I think it was Mr Whyte's version.
13 Because what happened was we - we eventually were going to
14 give them - sell them back as land and for some - something
15 tells me that we would - when we either gave them to someone,
16 to the real estate agent or contacted the real estate agent
17 they said - said something like you'll have to connect up
18 power. It might have been power, and I don't understand
19 anything to do with the building industry at all. So
20 connecting power, it was all too hard. I then went to Paul
21 after that and whatever and said, "Paul, there's two blocks.
22 I put a mate of mine into them. Is there anything - do you
23 need anything up that way? Could you have a look and see if
24 you can do anything with them?" And I think he may have
25 come back and said there was no sewerage or no such and such.
26 I've probably got a little bit from where I've got from the
27 agent and I've got a little bit from Paul, but he was the
28 one that at the end I think told me that there was no power
29 or something or something, power or sewerage.

30
31 Would you have had the funds or the means at that time to be
32 able to develop those blocks?---No; personally not me no. I
33 would have had to raise - yeah, Rob would have had to raise
34 finance I presume. No, we - we decided I think that if Paul
35 wasn't going to do anything with them we would just sell the
36 land. Yeah. We were just waiting on advice, whether or not
37 he could use them or not. So that - that's where we're at.
38 Because I felt obligated for the fact is I put - as you said
39 earlier I put Rob into the project and I felt - I felt bad
40 in - in the fact is that you know I - I either have to sell
41 them as land or have to do something with them. I - I just
42 can't leave them with him.

43
44 You what, sorry?---I just can't leave him with - with the
45 land.

46
47 So did you feel under some pressure then to ensure that those
48 blocks were sold?---When you say pressure I - I was very
49 confident of - of - of the blocks and the timing of the
50 mining boom that I'd bought some really good property, some
51 really good land. So I just had to make sure that I had to

1 probably message it through, either through the agent - to
2 sell them as land. It was my job, living in Perth, to
3 probably oversee it.

4
5 So you went to Paul. He then said leave it with me. He got
6 back to you at some point later saying that yes, we could
7 possibly use them for some police housing?---For some - he
8 said we - we've - I - we've - yeah, looking at some police
9 housing to do and I said, "Fantastic".

10
11 Okay. What happened next?---I think then he said to me
12 what'll happen, he said, you'll enter into a building - "When
13 we do these projects," he said, "you'll enter into a building
14 arrangement where we will take care of the building
15 arrangement," and I think they purchase the land off you
16 and, yeah, they basically put it all together, all together
17 themselves.

18
19 Who would put what together?---I presume the builder. We -
20 we didn't have to do anything in the way of building
21 anything, building the project. He just said that with -
22 when a project's done like that, we oversee the building.

23
24 As in the Department?---The Department oversees the building
25 so you don't actually physically have to build, appoint a
26 builder to do them. Because I - I thought at first that,
27 you know, we would appoint - you have to appoint a builder
28 and that but he said, "No, we get our own builders and
29 whatever the build is you'll get a percentage of the build
30 and you'll sell the land to - and we will buy the land off
31 you."

32
33 So if you had no intention of developing it, why then would
34 you get a percentage of the build? Why wouldn't - why didn't
35 you just sell the property, the lots, to the Department as
36 land?---Well, but if you asked anyone else - I mean why would
37 I say no to not getting something out of the build? I mean,
38 of course I'm going to say yes.

39
40 But you had no intentions of developing it yourself?---Yeah,
41 but it's cost no - it's not costing me a dollar to build. I
42 mean, we've entered into an agreement that they're going to
43 build it. I mean, if the property's worth - the property
44 might be worth three, four million. Who knows what it's
45 worth today?

46
47 Right. But whose idea was it that you and Mr Ottone would
48 get additional money from the build cost? Whose idea was
49 that?---Well, certainly not mine or Mr Ottone's. Mr -
50 Mr Whyte. It was - it was what he said, that's how this
51 project will work.

1
2 Did you question that at all?---Absolutely not. Why? I - - -
3
4 You didn't question the fact that you were going to benefit
5 financially, when you had no intentions of ever developing
6 those lots? You saw nothing wrong with that?---I saw nothing
7 wrong with it. I mean, there's a project being built.
8 They're keeping the project. They can sell the project. I
9 mean, what happens if the project's worth 10 million in 10
10 years' time? I can't turn around and say, well, hey, can I
11 get another 15 per cent back on that? I mean, if there's a
12 project being built there - I actually visited the project
13 two months ago. Magnificent.
14
15 When you sold, eventually sold the two Harding Street lots
16 and the Crawford Street lot to FMG, you sold them all at the
17 same time, did you get any percentage additional, on top of
18 the sale price, for future building costs on that land?---
19 No. I got an elevated price for the land.
20
21 Right. So in relation to this block you got an elevated
22 price for the land - - -?---Yes.
23
24 - - - did you not?---Correct.
25
26 Because it sold for 700,000 when - - -?---Yeah.
27
28 - - - you paid 450-odd thousand for it - - -?---Right.
29
30 - - - seven, eight months prior?---Yeah.
31
32 But then you also got an additional 10 per cent of the
33 building cost. Why?---But - but why - why do I have to
34 explain that? Why - why wouldn't Paul or the Government
35 Housing explain why did that happen? If - if there's
36 something wrong - - -
37
38 I'm asking you for what your understanding was and your
39 discussions with Mr Whyte about that extra 10 per cent that
40 you were set to gain. Tell me about it?---Well, it - it's
41 - it's what - I - I own the land, they're getting - they're
42 doing the project. It's how he actually positioned this
43 project to be done.
44
45 It wasn't your idea?---I wouldn't have the ability to even
46 think of how to do it.
47
48 Was there any discussion around that, that Mr Whyte said or
49 any suggestion, sorry, that Mr Whyte would pay this or that
50 Mr Whyte would arrange for the Department to pay this extra
51 10 per cent to go towards any debt that he owed you?---No.

1
2 Are you sure about that?---Well, let's - let's - let's call
3 it possibly. Because I - I at that time have already said
4 to you this is a really tough time in my life. I didn't
5 even know what I owed at that time. So anything's possible.
6 You'll have the information anyway.
7
8 I'm asking you, Mr Michell?---So I can't - I cannot at this
9 stage say yes or no to this question. I just have to say
10 it's possible.
11
12 So let's go through this. You were - it was going to cost
13 you and Mr Ottone money to service the lots, wasn't it, if
14 you chose to go down that route?---When you say service the
15 lots?
16
17 Because it had no sewerage, no power, no water and no
18 electricity. So if you were to connect all of that, that
19 would have cost you money. Is that correct?---Correct.
20
21 Okay. So you would have lost money?---Well, not really. If
22 you - if you connect that - - -
23
24 You would have had to outlay the money?---Yes, but you're
25 not losing.
26
27 Okay, I'll rephrase that?---You're - what you're doing is
28 you're gaining value - - -
29
30 Right?--- - - - to the property.
31
32 But you had to outlay it first?---Outlay it.
33
34 Right. And you chose not to go down that route?---Chose not
35 to.
36
37 Why?---Well, because we asked Mr Whyte to have a look at the
38 property. So Mr Whyte has come back and said we want to
39 build some police accommodation on the property.
40
41 Right?---So therefore I don't need to do any more changes to
42 it. They are going to take control of the property over,
43 control of the land and run the whole development themselves.
44
45 Did they - was the intention that they were going to run the
46 development while you still owned the block?---Well, I didn't
47 own the block.
48
49 Mr Ottone owned the block?---No, I'm not sure how - I'm not
50 sure how that worked. I'm not sure whether they purchased
51 the land first. I don't - I don't know what - - -

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But just to be clear, you and Mr Ottone had no intention of developing that land. Is that correct?---Once Mr Whyte said we can use this for a project, we then said just leave it with Mr Whyte. We don't - we - we - we're not - we don't have to have anything to do with it, we'll go with this.

But did you and Mr Ottone have any intention to develop those lots yourselves?---Well, not while Mr Whyte said - said he was taking it. If Mr Whyte had said no, we may have revisited it.

Prior to you going to Mr Whyte to seek his interest or the Department's interest did you and Mr Ottone ever discuss the possibility of developing those lots yourselves?---Because of the boom and the mining boom up there I think we did discuss the fact is that we - we - we could enter into a build there but I said, you know, it's a fair way away, we'd have to appoint a builder. I'm not sure what building costs would be but - because I spoke to a couple of agents I think in Karratha at the time and they were indicating to me that, you know, Roebourne - I mean, they've got now a health centre and they've got a recreation centre and a pool, that that was going to be the next town, being say 24 kilometres out of - out of Karratha, that would take off. So we - we did probably talk about it.

Right. So you might have talked about it but you said earlier in your evidence you had no funds, personally, to be able to go ahead with a development personally?---Yeah, it'd have to go through - Rob would have to finance it, yeah.

And did Mr Ottone ever say to you that if push came to shove he would finance the development of those blocks?---Well, we never - I don't think we got to that stage.

So at the time of approaching - sorry, at the time - I'll rephrase that. At the time of approaching Mr Whyte to seek his or the Department's interest, had you or Mr Ottone gone and sought advice from any builders about you, yourselves, personally developing the block?---Not at this stage, no.

Okay?---No; only through an agent, like only - we only asked agents you know what they thought.

Right. At the time Mr Whyte came back to you and said yes, the Department are interested in developing the lots had you or Mr Ottone again gone and sought any advice or made any steps to look at developing the land yourselves?---No, we are waiting on - on what he was going to come back with. He - he didn't indicate to us one way or the other what he was

1 doing. He just said he had to crunch some numbers, speak to
2 people in the Departments and I presumed that obviously to
3 do a development like that Mr Whyte can't possibly do that
4 development on his own, he would have to include you, you,
5 you, you and you and I would have thought that you know
6 step 5 has got to agree with step 4, 3, 2, 1. So I - I
7 couldn't - I didn't see any - any problem at all in Mr Whyte
8 doing the development because I wouldn't know how one person
9 could do a development that wasn't above board.

10
11 Commissioner, now might be an appropriate time to adjourn
12 for lunch.

13
14 **THE ACTING COMMISSIONER:** Yes. We'll adjourn until 2 pm.

15
16 (THE WITNESS WITHDREW)

17
18 (LUNCHEON ADJOURNMENT)

19
20 (TIMESTAMP) / 12.53.40 PM

1 **MICHELL, GRAEME RECALLED ON FORMER AFFIRMATION AT 02.02 PM:**

2
3 **THE ACTING COMMISSIONER:** Please be seated.

4
5 Yes?

6
7 **PANTANO, MS:** Mr Michell, earlier today you said that when
8 you sold the other three blocks in Roebourne to FMG, that
9 you didn't get an additional percentage on top of the sale
10 price for any lost development, instead you got an inflated
11 price, you got paid an inflated price for those blocks. Do
12 you recall saying that?---Yes.

13
14 Why - what's your understanding of why you got an inflated
15 purchase price?---The fact is, I was watching the Internet
16 and looking at real estate and blocks of land, Port Hedland,
17 South Hedland, Karratha, and there was a massive mining boom,
18 so they were pretty well going up at a steady rate, so I
19 mean - I mean, why did Fortescue Metal buy them and pay that
20 price? I mean - it wasn't sold to, you know, a private -
21 you know, to a government organisation. I mean, they paid
22 me that money for them, and also I could follow the market,
23 of how the market was increasing in all those areas.

24
25 And I'm not suggesting that there was anything untoward about
26 the sale to FMG, what I'm just interested to know is what do
27 you understand - or what did you understand the inflated
28 price to represent? Was it to represent loss of potential
29 development opportunity on your behalf, or just the market
30 at the time. What did you understand the inflated price to
31 represent?---I was just happy with the price that I got for
32 the land, for not having to have any involvement in any
33 development.

34
35 When you entered into the sale with FMG, were there
36 discussions, or negotiations, rather, between yourself and
37 them about any loss of development potential that would be
38 factored into the price?---No, I didn't really, actually, to
39 be honest. I didn't have any dealings with FMG, it was
40 mainly just through the agent, and obviously, like all
41 agents, agents talk things up, and the agent talked up the
42 area - even though I was there three months ago, there's not
43 much there, but talked up, you know, it's going to kick on
44 and, you know, the overflow will be massive, but I suppose,
45 once the boom reached that peak - it probably declined the
46 last three or four years, and it's probably only just picked
47 up the last 12 months, or six months.

48
49 When you then had discussions with Paul about the sale of
50 the Hampton Street lots, what - tell me about the discussions
51 you had about the price that you were going to sell the

1 blocks for?---Actually - I know, you both think this is
2 strange, but I didn't have any - there was no real prices
3 discussed. I just asked him, "Can you do anything with
4 them?" I mean, he's a powerful person, a powerful position,
5 whatever he said - even if he said, "Mate, you're going to
6 get two per cent for the build, and the blocks you're going
7 to make 10,000," I'd have said, "Fine, no problem," so it
8 was never any talk about, you know, this, this, this - there
9 was no involvement of dollar value of what we were going to
10 get. He just said, "Leave it with me".

11
12 Okay?---So I just pottered along, and really, even had no
13 idea until, you know, basically payments came into my
14 account, really what I was going to get. I know, obviously,
15 the - if you asked me what build costs - I had no idea what
16 the build cost was.

17
18 All right, so let's just take that one step at a time. So
19 he said, "Leave it with me". You left it with him. Who -
20 who had the negotiation - who had the discussions with the
21 department about sale price? Was it yourself or what it
22 Mr Ottone, or was it both of you?---No, I think it was Paul
23 dealing with - with Rob. But then I remember Rob recalling
24 that he - I don't think - he had very little dealings with
25 Paul. I think most of his dealings were with other members,
26 because I just picture - that the government doing this
27 project, there is no way I could see project ahead and
28 forward if there any fraud involved. I just don't know how
29 it could get past this person, this person, this person,
30 this person, so I just presumed everything was totally
31 normal, he build price was normal, and everything else was
32 normal, so as far as - with Rob, I got an idea he dealt with
33 - with independent people, because I remember once he said,
34 "I got a call from" - I don't know who it was, or an email
35 from such and such - I don't even what her name was, but I
36 can vaguely remember something like that - maybe I'm wrong,
37 maybe I didn't get an email. Maybe there's no emails from
38 Rob or anyone else, maybe it's all Paul, but - - -

39
40 Okay. So did you have any discussions with anybody at the
41 department in relation to price?---Not one bit, no.

42
43 That was all with Mr Ottone?---Yeah. Well, I just basically
44 left it with Paul. I just left anything - because whatever
45 he had said, I would have accepted.

46
47 Okay?---It was - the thing was, I just wanted - at that
48 stage, you know, because I still had, as I said, you know,
49 a bad time, it was mess with Paul, I just wanted to just get
50 out of it, and - to be honest with you, even if I said we've
51 got to give money back, I would have taken it.

1
2 At the time all this was going on with these Hampton Street
3 lots, was Paul still placing bets with you?---Yes, I believe
4 so.
5
6 Okay. And he still owed you - he was still in debt during
7 that time?---He would have been, yes.
8
9 Okay. So you didn't have any discussions with anyone from
10 the department about purchase price, sale price, so
11 presumably, you said Mr Ottone did, with the department?---
12 Yeah.
13
14 You're not sure who from the department. What discussions
15 did you have with Mr Ottone about how much the lots were
16 going to sell for?---I think - all I can recall is that -
17 I'm pretty sure that the land settled first, and I think I
18 got a payment - again, I'm just guessing - a payment off the
19 land, and then all I believe is that he said, "I've spoken
20 to such and such" - I don't know who it was, it possibly
21 could be Paul, anyway - "We're entering - and I'm entering
22 into a building contract" - I said, "Mate fantastic," you
23 know, "like, that's brilliant, we'll do well out of this,"
24 you know, like - and that's basically where it was at. I
25 may have asked him, you know, what sort of price he was
26 expecting to get. I'm not really sure, but I was never
27 really that - at that stage, the brain was fried, I was never
28 really - you know, I knew something was going to happen, I
29 knew I was going to get something, but I really didn't know
30 the amount till I did.
31
32 So at what point did Mr Ottone communicate to you what he
33 was going to sell the lots for?---I really think Mr Ottone
34 only really spoke to me when money hit the account.
35
36 So after he entered into the contract?---Yeah, after he -
37 yeah, look, and he's just an Italian panel beater that
38 probably doesn't have a lot of, you know, experience in
39 building, so he probably wouldn't understand a lot of it
40 either, and he just said, "I've entered into a building
41 contract," and that's it.
42
43 Did he discuss with you anything about the sale price prior
44 to him entering into the contract with the department?---No,
45 I don't think he knew.
46
47 You don't think he knew what?---I don't think he knew the -
48 what was it? Are you talking about the end result, what the
49 property would bring - - -
50
51 So - - -?---Or are you talking about the land?

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The land. So to tell the land, he would have had to enter into a contract?---I assume that he - a contract was done with - when Housing bought the land.

Yes?---And for a certain amount of money. He obviously got paid for the land, and he would put money in my account for that - for a share of that land.

So what I'm asking you is, what discussion - sorry, did he have any discussions with you prior to him signing the contract around, you know, "Graeme, do you think this is a good deal? I'm not sure, this is what they're offering"? Were there any discussions between you and Mr Ottone to that effect?---Well, just because - honestly, because I looked up to Paul as a successful person; I wouldn't even quiz whatever he said, because to me he was - you know, he was wealthy, he had a great job, he was - - -

THE ACTING COMMISSIONER: Mr Michell - - -

PANTANO, MS: I'm going to stop you there.

THE ACTING COMMISSIONER: - - - can you answer the question. The question was about your discussion with Mr Ottone, not generally about whether Paul is a successful person?--- Sorry, sir. Can you say the question - sorry.

Answer the question.

PANTANO, MS: I'll ask you the question again. What discussions, if any, did you have with Mr Ottone about the sale price, prior to him settling on the contact?---I can't remember have any discussions with - I'm sorry, I can't remember any discussions I've had.

So - - -?---It's possible I've had discussions, but I can't remember. That's probably the reason why I'm zig zagging on not answering that question.

So you don't know whether you discussed with one of your friends whether or not a block of land that you're involved with, how much that was going to sell for?---Well, after the land had sold - obviously, maybe a month before, I presume a contract was written up for the land - I'm guessing that's what happened, so it - maybe he said, "Well, we've sold the land for X amount of dollars, 600,000 or 700,000. He's probably told me that, if that's what you're - - -

No, I'm asking you, did you and Mr Ottone discuss sale price before he sold it? Before he signed the contract with the

1 department - - -?---No, no - no, sorry, what do you think
2 we'll get?

3

4 Or - or, "The department have offered me this amount. What
5 do you think? Should we go with it, should we not"?---No,
6 I just basically said, "Mate, whatever you do, just do it".
7 I mean, it's too far away, just do what - do what he says".

8

9 Do what who says?---Well, if Paul - whatever Paul is going
10 to - whatever the Housing Department is going to do, I'm
11 just happy to go with it. I don't want to have to dissect
12 it, take it to me, take it to a - a lawyer to look at the
13 contract. If they're going - it's in Roebourne, it's miles
14 away from where I live, I've already got investment in land
15 there which I believe the area is going up. If Paul is going
16 to take it for the housing - government to put a project on,
17 and I can get an earn out of it, just leave it with Paul.

18

19 So the answer is you didn't discuss with Mr Ottone prior to
20 him settling on the contract purchase price, sale price,
21 rather?---No. I might have just had a gut feeling of what
22 - you know, because of what we got for our blocks, we were
23 able to - - -

24

25 Well, you hadn't sold your blocks at this point?---But we
26 had discussions, we knew what we - what price I was heading
27 to.

28

29 And what was that?---Well, I don't know - I think three -
30 you would know what I - I can't tell you what I sold them
31 for, and I should be able to tell you, but - - -

32

33 The block was purchased for just over \$450,000?---Sorry,
34 you're talking about Rob's block?

35

36 Yes, that's what we've been talking about?---I think we sold
37 that for maybe 700.

38

39 It was sold for 700, so what I'm trying to ascertain,
40 Mr Michell, is whether or not you discussed with Mr Ottone
41 your thoughts about any offer by the department before
42 Mr Ottone agreed to the contract?---No.

43

44 Okay?---Sorry for that - sorry.

45

46 All right.

47

48 **THE ACTING COMMISSIONER:** Even though you were going to get
49 65 or 70 per cent of the profit?---Well, I just - I just
50 left it all up to however it was going to work out. Like,

1 I mean, I just didn't have any idea of what figure we were
2 going to get. I mean - I'm not sure - yeah.

3
4 So you weren't interested in how much profit you were going
5 to get?---Well, I was interested, but I just presumed that
6 he sold the land, had a contract - so once he had a contract
7 for the land, I knew roughly what I was going to get.

8
9 But not interested enough to discuss it with Mr Ottone
10 beforehand?---No. So I just - I might look here as if I'm
11 dumb, but I just - - -

12
13 No, you don't?---I just can't - - -

14
15 That's why I'm a little bit surprised - - -?---I can't get
16 my head around - - -about how I'm missing - - -

17
18 - - - at some of the answers to the questions that you're
19 giving?--- I'm struggling to get my head around how I'm
20 missing the question - you know, I probably are missing it,
21 and I'm going - I'm just talking about something totally
22 different. I'm sorry, but I - you want to know do I - let
23 me say it to you, maybe if it's better this way. So before
24 we entered into the agreement with Paul, did I speak to Rob
25 about a price for the land?

26
27 **PANTANO, MS:** Yes?---No, because I honestly wouldn't have
28 even known what price it was going to be worth. No, I
29 wouldn't have. I might have guess, you know, but I wouldn't
30 have guessed - I wouldn't have known a price, so my answer
31 will be no.

32
33 Did you discuss with Rob about getting a valuation prior to
34 agreeing on a price with the department?---I don't believe
35 I did.

36
37 Do you know whether Rob got an valuation on the property?--
38 -I don't think he did, because I just presumed that if
39 government housing are buying it, well, surely, they're going
40 to do their own due diligence on it. Aren't they going to
41 get a valuer in to value the property to land on what it's
42 worth - it's going to go through a chain of six or seven
43 people - - -

44
45 But you're the ones who are selling it, so don't you want to
46 - or wouldn't you want to ensure that you're getting value
47 for money, that you're getting what your land is worth?---
48 Look, I haven't also got massive - at this stage, I'm not
49 going to get much better than - than government putting a
50 project on there for police housing. I mean, I've - I've -
51 I've only got two options, either sell it to government for

1 police housing or try and flick it to mining companies for
2 development. So if this offer's going to come in for housing
3 for police, why do I want to keep questioning how much, how
4 much, how much. At this stage, I'm happy the project's going
5 to be good. And the fact is, we've already been told, as
6 you said earlier, I was going to get 10 or 12 per cent out
7 of the bill when I sold the land, so just - just leave it at
8 that and let them - let them build the project.

9
10 So that takes me the project. So you've sold the land. Now,
11 tell me about this 10 per cent of the building cost. You
12 said earlier in your evidence that it was Paul's idea?---
13 Well, all I know is what - what - obviously I went to Paul
14 to ask him could he doing anything with the property. Just,
15 my hands are tied with whatever Paul sale will do. So he
16 said "Look, leave it with me". So eventually, obviously
17 he's come back. He said "We're going to buy the land is
18 what we're going to do. And then what will happen is how
19 the government works is you don't physically build the
20 property. You enter an agreement that we will build the
21 property and run it all and you will receive 10 or 12 per
22 cent of the building costs.

23
24 Did he tell you this?---Yes, he did, yes.

25
26 Okay. And was this after they had - as in the Department
27 had purchased the land or is this before?---I think it was
28 - I think it was before - before it happened to let me know
29 this what we're going to do. So one is, I didn't question
30 it. Two is I don't want to question it. And the fact is
31 that I'm happy with - with where it's going. And I'm excited
32 that I'm doing a build with the government housing, thinking
33 that there is possibly no possible way of any fraud could
34 even - it didn't even - see the word fraud didn't even enter
35 my head. And even today, the word fraud does not even enter
36 my head.

37
38 Okay?---Because I - I feel that I've - I've complete and
39 utterly just relied on someone in a prime position to put a
40 project together to - if the project wasn't delivered, of
41 course, there's problems. I've been and looked at the
42 project to think "Shit. Maybe, you know, they're made of
43 straw".

44
45 But you weren't doing the development with the Department,
46 were you, they were doing the development?---Yeah, so how
47 can I challenge the Department of Housing and tell them what
48 to do? Yeah.

49

1 That wasn't my question, Mr Michell. I just want to clarify,
2 you and Mr Ottone were not doing the development, were you?--
3 --No, no, government were. Yes.
4
5 Government were doing the development?---Yes.
6
7 At no time were you or Mr Ottone looking at building a
8 complex of any sort on that property, were you?---Well, no,
9 we - we didn't have to look any further because we already
10 had something done here. So if that hadn't of been done, we
11 would have to look at plan B and maybe - I don't know what
12 we would have done, but I didn't have - I didn't have - I
13 don't have to answer that for the fact is we already had
14 this being done.
15
16 So what in your mind were you getting 10 per cent for?---For
17 the building costs. Well, there - I mean, firstly, I found
18 the land, got the land. I mean, government housing is a
19 massive organisation. The fact is, they buy residential
20 properties. Because I even went to Paul a little place in
21 Cook Avenue in - in Hillarys.
22
23 Sorry, say that again?---I had a - a little investment
24 property which we paid 325,000 for. And you know, cos they
25 were (indistinct) to buy houses obviously, you know,
26 government housing.
27
28 Yes?---And no, it couldn't, no can't, no - no, we're not
29 interested in that. So I just thought that, you know, it's
30 - it's something that you can do. You can do. If you've
31 got something, you can offer it to the government.
32
33 Okay. So you're selling - you've sold them land. They are
34 then deciding to build a police housing complex on it?---
35 Correct.
36
37 Right. What did the police housing complex development have
38 to do with you or Mr Ottone?---Nothing.
39
40 Right. So why were you benefitting 10 per cent off that
41 complex?---Look, why wouldn't you ask that to the government?
42
43 I'm asking you?---Well, I - I don't know.
44
45 Your understanding?---I - I'm entitled, as far I was
46 concerned, if something came today and BHP said to me
47 "Listen, we'll buy four blocks off you in Mandurah, or five
48 blocks off Mandurah, we're going to build a massive big
49 warehouse. You will enter into a land agreement. You'll
50 enter to a building costs agreement". I'm going to say yes.
51

1 Okay. Let's forget about Mandurah. Let's go back to
2 Roebourne?---Yeah.

3

4 **THE ACTING COMMISSIONER:** So Mr Michell, you're getting 10
5 per cent. What did you think that you were giving up in
6 exchange for that 10 per cent? Anything or was it just 10
7 per cent out of the goodness of the Department's heart?---
8 Well, I - I think I'm entitled to the - to the 10 per cent
9 because - - -

10

11 I'm not asking you whether you're entitled. I'm asking you
12 what you thought you were giving up in return for the 10 per
13 cent. Was there anything or nothing?---Well, no, but only
14 the fact is I've supplied the land.

15

16 Yes. So you've sold the land?---And they've got a project
17 which they're putting on it, which they can sell the project
18 today.

19

20 So what are you - did you think you were giving up in return
21 for the 10 per cent? Because you've already been paid for
22 the land. The land is separate. So in return for the 10
23 per cent, what were you giving up, in your mind?---As a
24 person that has no building skills, no trade at all, I didn't
25 even ask that question. I just thought - - -

26

27 I wasn't asking you whether you'd asked any questions about
28 it. I'm asking you, what did you think you were giving up
29 for the 10 per cent?---I was giving up nothing like
30 (indistinct).

31

32 Thank you?---But in saying - saying that, sir, I mean, it
33 was - it - it was sold to me, this is a normal - - -

34

35 Ms Pantano will ask you another question now?--
36 - - - - thing. This is - this is - - -

37

38 Ms Pantano will ask you another question.

39

40 Thank you?

41

42 **PANTANO, MS:** You said earlier that when you sold the blocks
43 to FMG, you just sold the land, didn't you?---Correct. Yes.

44

45 You didn't get paid any percentage on top of that for
46 whatever development they were going to decide to put on
47 there at a later date. Is that correct?---Correct.

48

49 Right. So again, going back to the 10 per cent you were
50 getting, what was your understanding of why you were entitled

1 to the 10 per cent for a development you had nothing to do
2 with?---I thought I just answered that with - - -
3
4 You said nothing, sorry?--- - - - with - with the
5 Commissioner.
6
7 Just to clarify, thank you?---The 10 per cent equated to
8 \$598,982. Were you aware of that?---Not that figure, no. I
9 - yep.
10
11 So it just under 600,000. So and Mr Ottone got paid - well,
12 Mr Ottone in fact got paid \$600,000 for nothing. For a
13 development neither you or Mr Ottone had any involvement in
14 whatsoever?---How do you want me to answer this question?
15 What would - I would have done this again tomorrow if this
16 come about. I'm don't know I'm doing any wrong - wrongdoing
17 in this. How have I committed - or how do I answer this
18 question.
19
20 I was just putting a proposition to you?---Yeah.
21
22 I hadn't actually asked you a question yes, Mr Michell. What
23 I'm - - -?---What do you say? Do - do I say look - - -
24
25 **THE ACTING COMMISSIONER:** Hang on?---Do I say no?
26
27 Wait for the question?---Hang on. You're asking me to - - -
28
29 Wait for the question and then you can answer it?---Do I say
30 no - - -
31
32 No?--- - - - 10 per cent's too much.
33
34 Wait for the question and then answer it.
35
36 **PANTANO, MS:** Were you being paid this additional almost
37 \$600,000 to go towards the hundreds of thousands of dollars
38 debt that Mr Whyte owed you at that time?---No.
39
40 How do you know that?---What - what do you mean, how do I
41 know that?
42
43 How do you know - - -?---I just answered the answer, no.
44
45 Yes. And I'm asking you why are you so definite that that
46 additional money that Paul agreed for the Department to pay
47 you and Mr Ottone for nothing was not to go towards paying
48 off debt that he owed you?---No, Paul's - Paul's - the debt
49 is in my name.
50

1 Yes?---It's not in Paul's name. Whether or Paul paid his
2 own debt or received money to pay his own debt is up to him.
3 All the debt is in my name. There was no money paid to Paul
4 Whyte off his betting account.

5
6 I didn't say if any money was paid to Paul Whyte. Yes, the
7 debt was in your name, but it was your debt. It was his
8 debt. Albeit, in your name. so it wasn't your debt. It
9 was only your debt in the - to the extent that it was in
10 your name, is that correct?---Yes, but I have no - nothing
11 legal to - like if Paul decides or you decide you're not
12 going to pay me, I don't really have a leg to stand on, like
13 as in - - -

14
15 But he has entered into a contract and basically gifted you,
16 my words, gifted and you and Mr Ottone almost an extra
17 \$600,000 for nothing?---I reckon that's wrong wording.
18 Gifted - gifted me \$600,000. Paul Whyte told me this is how
19 government housing works. Now, have they ever done this in
20 any other projects or is this just one out of 30 years?

21
22 Perhaps you can wait until the report comes - - -?---Yep.

23
24 - - - out, Mr Michell and that will probably answer your
25 question - - -?---Yeah, but I mean, I - - -

26
27 - - - as to whether this is a common occurrence?---Sorry?

28
29 You perhaps might have to wait for the report to come out
30 and that will advise you of whether this is a common
31 occurrence - - -?---Yeah.

32
33 - - - but in government or not. How much did you benefit
34 out of this transaction?---Look, I - I - you'd, again, have
35 the figures in front - at - at a guess, 400,000.

36
37 What did - you said earlier in your evidence that at the
38 time of entering into this transaction with Mr Ottone you
39 didn't talk about how much - or exactly what the amounts
40 were going to be. At some stage throughout the transaction,
41 did you speak with Mr Ottone about what you were to receive?--
42 --I'm not - I'm not sure how we - how we handled it. All we
43 know is that we received - I received around - my guess is
44 around \$400,000.

45
46 And how did you come to that arrangement, that agreement,
47 sorry?---Well, obviously I had a phone or whatever and said
48 "This is - this is what I've - what I've - what I've got,
49 you know, what do you think's fair or you know, what - what
50 - what do you think". I said "Well, mate, I've put it
51 altogether. I'm happy for - you know, whatever you're

1 happy". So whatever amount he would decide, it would have
2 just been a backwards and forwards conversation. And he
3 said "Mate, I appreciate - you that, I've - I've done it.
4 You know, I didn't know how it would work out. It could
5 have worked out no good. It could have worked out terrible
6 and we're lucky to get out of it". And I sad "Well, you
7 know, I - I would have looked at doing another one if - if
8 there's one available". Because I just didn't think I'd
9 done anything wrong.

10

11 So just to go back, I asked you earlier today whether you
12 had contributed anything to this property. You weren't sure
13 whether you had or not?---Yeah, I'm not sure.

14

15 The Commission's aware that there were three payments that
16 you made to the mortgage.

17

18 If I can 0855^, please?

19

20 0855^

21

22 **PANTANO, MS:** This is your bank statement you'll see come
23 us, Mr Michell.

24

25 If I can have page 1 first?

26

27 As you can see, it's blocked just for obviously privacy
28 reasons, your address. It's your name up the top. Did you
29 have an account with NAB?---Yes, yes.

30

31 Okay. And if we can go page 3, please? The bottom of
32 page 3?

33

34 There's a payment there on 15 June to the tune of \$1,700.
35 And while it doesn't say there where it's gone to, the
36 Commission has the bank statements relating to the mortgage
37 account, Mr Ottone's mortgage account. And we can see that
38 that \$1,700 has gone into that mortgage account. Do you
39 recall making that payment?---I don't recall. No. But if
40 - if - the payment is there - and do you know what, you could
41 show me 20. Maybe I was making a monthly payment. I - I
42 didn't give you false or misleading information. I just
43 didn't know. So whatever you're telling me, I agree with.

44

45 And then if we scroll over to the middle of page 4, there's
46 another payment on 8 July for \$1,428.

47

48 And again, the Commission's confirmed that that payment has
49 then one into Mr Ottone's home loan account.

50

51 And then scroll over page 5.

1
2 There's another payment on 9 September for \$5,581?---Yeah,
3 we'd - I mean, you - you probably - you know more than I
4 would know, and I totally - you know - - -

5
6 They're the only three payments?---Yeah. So the only thing
7 I would say on that is - and it's possibly 90 per cent could
8 be that. We did have a property in Mandurah. I'm not even
9 whether Mandurah come after this.

10
11 That was in Halls Head?---Yes. So unless they're payments
12 for that. Because don't forget, Rob borrowed all the money
13 for - for Mandurah and then I had to pay him back I think.
14 Yes.

15
16 That was purchased in 2014, so after this?---Okay. So it's
17 not that. Yep. After. Yep.

18
19 So what arrangement did you have - and I know I asked you
20 this earlier and you couldn't recall, but now showing you
21 these, this may have jogged your memory so I'll ask you
22 again. But what arrangement did you have with Mr Ottone to
23 contribute to the mortgage?---I - I'm sorry, but I - I just
24 can't even remember what I - the arrangement I had. I don't
25 - you've showed me three payments there. I - looks like my
26 bank balance wasn't too healthy at one stage, so I'm not
27 sure whether Rob, you know, paid the repayments in the end
28 or whether I didn't have and I just - I don't know. I mean,
29 is there a trail of those payments for every month that
30 you - - -

31
32 There's only three?---Okay. Yeah. And look, in - in saying
33 that, I mean, how - how do we know? I mean, maybe they are,
34 those three payments. Is there anything there on the bank
35 that defines they are to pay for the Roebourne loan?

36
37 These payments have gone into Mr Ottone's home loan account
38 that he got out or took out - - -?---Yeah.

39
40 - - - for the purchase of the Hampton Street lots?---Yeah,
41 so I'd actually - I've deposited the money in his personal
42 account.

43
44 Into the home loan account?---Yeah. Yeah. I mean, I - yeah.
45 And from time to time, I used to borrow money off Mr Ottone
46 as well.

47
48 What for?---Just if I was in the shit for - like, you know
49 if I'm - like Paul - you know, I've had pressure from the
50 betting shops and you know, Paul was going to pay them on
51 Friday and didn't pay. Then I'd - yeah, and I ran up, you

1 know, summons or whatnot. So I had - had to - sometimes
2 ring Rob and ask, you know, "Do you have any spare money for
3 me".
4
5 And would he give you money?---Yeah, he would - he would
6 lend it to me, yep.
7
8 And would you pay him back?---Yes. Yeah. Yep.
9
10 So the total of those three payments is \$8,709. Is there
11 anything else that you contributed towards this property
12 other than those three payments that you can recall?---No,
13 not - because I think - said I - I would have bought this
14 land on my own if I would have got the finance. I - I would
15 have done it without Rob being involved. And my first port
16 of call, as I said on a couple of occasions, was my sister-
17 in-law. So couldn't do it. I couldn't do it. My sister-
18 in-law couldn't do it. And therefore, I just rang Rob and
19 said "You know, can - you know, can you raise any money".
20
21 So for a property that you've contributed from what we can
22 see just over eight and a half thousand dollars, on your
23 evidence, you've made almost \$400,000 for an outlay of just
24 over eight and a half thousand. Would you agree with that?--
25 --So you're saying I've received 400?
26
27 You said that you recall receiving approximately \$400,000
28 from Mr Ottone. That's what you said?---Yeah, I'm
29 (indistinct). Could be.
30
31 Approximate?---It could be 600 I've given me. I'm - I'm
32 just guessing the figure.
33
34 Is that ballpark what you think you received, Mr Michell?--
35 -Yeah, I could be 100 out either way, but I'm just - - -
36
37 Okay. So - - -?--- - - - just going to say that.
38
39 400 thereabouts?---Yep.
40
41 Give or take 100 grand?---Yeah.
42
43 Okay. So at the very least, you may have received \$300,000
44 for a property you've contributed \$8,709 to. Would you agree
45 with that?---Yes.
46
47 And Mr Whyte at the time owed you hundreds of thousands of
48 dollars in gambling debts. Would you agree with that?---
49 Yeah, he owed me money. I'm not sure about hundreds and
50 hundreds of thousands. It used to fluctuate, cos don't
51 forget, Mr - - -

1
2 **THE ACTING COMMISSIONER:** Well, you agreed with that
3 proposition - - -?---Yeah, but hang on.

4
5 - - - a few seconds ago. A few minutes ago?---Yes, but, it
6 - it - it would fluctuate the figure. I mean, Mr Whyte -
7 that figure is not set in stone, sir.

8
9 Well, sometimes it went up to 600,000 or \$800,000 was your
10 evidence before?---And - and - well, the figure - the figure
11 could go back to three or 400 or 200. It was a fluctuating
12 figure.

13
14 **PANTANO, MS:** Right. But we're not talking five or \$10,000?--
15 --Yep.

16
17 We're talking hundreds of thousands of dollars that he owed
18 you at any one time for gambling debts. And now you have
19 just benefitted significantly from a property you've had
20 very little outlay for. Is it still your evidence,
21 Mr Michell, that this money wasn't to pay off or contribute
22 to some of those gambling debts that Mr Whyte had with you
23 at the time?---This - this - this is what I'm telling you.
24 It's - I - I - I - I've said that and I'm sticking by that.
25 I mean, don't forget, it's a project here. I mean,
26 everyone's saying I've benefitted from this.

27
28 **THE ACTING COMMISSIONER:** You have?---But there's - there's
29 a nice project. And it's still there today. And what
30 happens if they - if that project is the boom that sells for
31 10 million? Can I go back and say "Well, look, I've sold it
32 too cheap". I mean, we're not talking about something that's
33 not built, so - - -

34
35 **PANTANO, MS:** Yes, but you had no involvement in the build?--
36 --Yeah, but that's not my choice. That's the choice of the
37 government that said "That's how we want to structure this
38 build". I didn't turn around and say - they didn't go and
39 say "Look, we want to appoint a builder" and Paul say "No,
40 don't give your builder, mate. We're going to do it". That's
41 how they wanted to do it. The government's too powerful for
42 me to - to - to say "No, don't do this. Don't do that". I
43 mean, they've got a fantastic project that's been built. I
44 mean, I - I'm reading, you know, along the line where there's
45 all these projects that's been - not even a bag of cement
46 poured.

47
48 I'm finished with that document. Thank you.

49
50 So just to go back, you just made a comment just now about
51 Paul saying "Don't go with your builder. We'll go with ours"

1 or words to that effect - - -?---I'm - I'm - I'm - that's
2 just - I'm just making that as in a throwaway line. And the
3 fact is I just presumed that dealing with government housing
4 is safe as houses.

5
6 Okay. We're going off track. I'm asking you a quite specific
7 question here, Mr Michell. And that's about a building
8 contract. Did you or Mr Ottone - sorry, I'll break that up.
9 Did you have to enter into any or consult with any builders
10 in relation to this project?---None whatsoever because we
11 were told - and I have stipulate this three times, that how
12 the government works on these projects is we hand - and I
13 presume they handle the whole build themselves. So the fact
14 is, it's got to be done properly. So if they employed a
15 builder - not a builder but an outside builder that falls
16 over, so the government did the whole build themselves, which
17 made sense to me that - it - it's probably all done in Hay
18 Street. "You do the land. You do this. You do that. You
19 do whatever". So I presume it went through a team of people.

20
21 Do you know whether Mr Ottone had to engage - or had to. Do
22 you knew whether Mr Ottone engaged a builder independently,
23 so of his own accord?---No, definitely not. No.

24
25 Okay.

26
27 **THE ACTING COMMISSIONER:** Sorry, you don't know or he
28 didn't?---Look, I can't answer for Mr Ottone of course. But
29 if you want - if you want to put me into a - an answer - - -

30
31 To the best of your knowledge, he didn't?---The best of our
32 knowledge, yep.

33
34 Is that what you're saying?---Yep. Look, I - I probably
35 should use that phrase in a lot of questions you've asked
36 me. To the best of my knowledge because you know, I - I've
37 probably done a lot of things wrong, but I don't have any
38 intent to give you wrong information. It's something that
39 I try to be as honest as I can and tell you as passionate as
40 I can with this development, I mean, it doesn't - you know,
41 I don't enjoy going through this. And I totally what you -
42 you have to dissect every single thing and I - I totally
43 support your inquiry with - with this.

44
45 Thank you for that?---Sorry?

46
47 Ms Pantano?

48
49 **PANTANO, MS:** And to the best of your knowledge, why wouldn't
50 Mr Ottone have needed to engage his own builder?---Well, Mr
51 Ottone is a smash repair living in Melbourne. And once Mr

1 Whyte just took total control over it, it would like, you
2 know - it would be like trying to, you know, tell the doctor
3 what, you know, medicine like. You know, like, I mean, he
4 - he specialises in - in that area. So you wouldn't even
5 get involved. I mean - I mean, look, what happens if it had
6 gone wrong or something happened or - and then I wish, to be
7 honest with you, I - I would have been happier if it had
8 got detected, if there was a problem with this development,
9 I would have been happy if Johnny over here had picked it up
10 or said "Look, there was a problem here" and brought it to
11 someone's attention. The government said "Hey. Hang on,
12 what's going on here". But I - I just presumed that because
13 it went all the - all the lines that everything was fine.

14
15 Do you know whether Mr Whyte benefitted at all financially
16 from the sale?---I believe not \$1. Not one single dollar,
17 Mr Whyte. Mr Whyte never ever asked - never mentioned \$1.

18
19 You mentioned earlier this morning, Mr Michell, that at
20 times, Mr Whyte would offer various things. So offer a car
21 which never came to fruition. Offer potential scholarships
22 which never came or to arrange scholarships which never came
23 to fruition. Were there any - well, was there anything else
24 that he offered, such as potential job with the Department
25 for yourself?---Yeah, he did. He - he offered, you know, my
26 wife at one stage, like a, you know, have a job. But just
27 nothing ever come of it, yeah.

28
29 Okay. And do you know in what capacity he offered her the
30 role?---Never actually - it was just - it was just like all
31 puff and (indistinct). There's nothing would ever come.
32 You know, it was just - basically, it's easier to look now.
33 Mr Whyte - and the worst thing I did was to get involved
34 putting - now I look back, the worst thing I ever did was
35 getting involved putting bets on for Mr Whyte. I've - I
36 have never thought to this day when I saw him arrested, I
37 mean, fell over and what, never ever picked any signs.
38 Because there was no - there was nothing hidden at all.

39
40 Are you aware whether Mr Whyte offered anybody else roles
41 with the Department?---I believe he - he - I believe he did.
42 I think mainly - I think it was just like project managers
43 and that. That type of style of - of - of work I think.
44 You know, but - - -

45
46 Do you know who?---You could probably pick it up. I can't
47 remember their names, but I think, you know, there might
48 have been a - you know, I - I - I'm only just, you know,
49 guessing names, so I don't really want to guess names and
50 get it wrong. And I actually probably if I - I might have
51 met them once. You know, once or twice - - -

1
2 Yes?--- - - - with him. But he - Mr Whyte was just a happy,
3 easy go-lucky - nothing was a problem.
4
5 So I just wonder if we can stick with the question, are you
6 aware of anybody else that Mr Whyte offered positions to at
7 the Department, in, like you said, there were project manager
8 positions you believe he may have offered to other people.
9 Who?---I don't know their names. Yeah, I mean, I remember
10 going to - you know, one - one - a few drinks one night and
11 there was a girl there that, you know, was working with him.
12 And you know, I - I just you know, I just - I just thought
13 it was just normal, you know, that - - -
14
15 Thought what was normal?---Well, just, you know, to - for
16 him to - to - you know, if he obviously gave someone a job,
17 I didn't see anything - any wrong in that for the fact is of
18 his position. And that's why I asked, you know, if there
19 something for - my wife's a nurse. And you know, she's got
20 a sore back. I though well, you know, if she's got a job
21 there, there's nothing wrong with it. Obviously if I knew
22 you worked at the - the CCC, you know, and I said, is there
23 any - any position here. You say "Look, there's a - you
24 know, security manager's leaving. You know, go and see such
25 and" - I don't see anything wrong with that.
26
27 And I'm not suggesting that there is?---Yep.
28
29 I'm just asking the question, Mr Michell. So there was a
30 girl that you met at drinks that you are aware got a - was
31 it project manager's position?---Yeah, I - I believe so. I
32 just - you know, you just meet people and you know,
33 hook - - -
34
35 Yes, anybody else?---No, no, no, no, no, that's - - -
36
37 Just one girl who got offered a project manager's position?--
38 --Yeah, I didn't - yeah, I mean, I didn't really - you know,
39 the - the - Paul's like a - wouldn't talk to you, you know,
40 discuss anything about, you know, inside or jobs or anything.
41 He was just - basically I was just used really for one, for
42 betting, which is what I was used for. Two is causing a
43 massive - massive problem.
44
45 Mr Michell, have you mentioned to anybody that you received
46 a summons to attend here today?---The only person that I -
47 I did - I was going to ring Shannon and tell her. But when
48 I got a call from Rob's wife - son. Actually, I don't know
49 if this is going to go on the - - -
50

1 I'm sorry?---Can we pause the - does it just go on the stream
2 line or?

3

4 Are you requesting to go into private, is that - - -?---
5 Yeah, just private, yeah.

6

7 **THE ACTING COMMISSIONER:** Okay.

8

9 We'll adjourn for 10 minutes.

10

11 **THE WITNESS:** I'm just happy to tell you like as a - - -

12

13 **THE ACTING COMMISSIONER:** We'll come back in a private
14 session.

15

16 **PANTANO, MS:** Yes, we just need to adjourn so we can arrange
17 the IT for it to - - -?---Yep.

18

19 - - - stop the stream?---Yep.

20

21 **THE ACTING COMMISSIONER:** Okay. We'll adjourn for 10
22 minutes.

23

24 (THE WITNESS WITHDREW)

25

26 AT 2.44 PM THE MATTER WAS ADJOURNED ACCORDINGLY

**Certificate Made Under Section 50A of the
Evidence Act 1906**

The transcript of Graeme Leonard Michell heard on Monday,
7 December 2020

was made in good faith and, subject to any qualification referred to below, is correct, accurate and complete transcription of the contents of the recording;

was produced from recordings that were suitable for making an accurate and complete transcript except where otherwise stated in the body of the transcript. Any "indistinct" or "inaudible" or other notations indicating difficulty with the transcription contained within the transcript refers to those parts of the proceedings that could not be accurately transcribed due to speech clarity, recording quality or other factors impacting word intelligibility.

Certified on this 7th day of December 2020 by: Glenda Judge,
Sheila Robbshaw, Joshua Stevenson

Full Name: Glenda Judge
Sheila Robbshaw
Joshua Stevenson

Occupation: Transcriber and officer of the Commission under the Corruption, Crime and Misconduct Act 2003 ss 182, 3 who has taken an oath before the Commissioner.

Signature: (Glenda Judge) (Sheila Robbshaw) (Joshua Stevenson)

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