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INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE MEGAN LATHAM

PUBLIC HEARING

OPERATION NESTOR

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TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON WEDNESDAY 4 MAY 2016

AT 2.10PM

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

THE COMMISSIONER: Yes, Mr Robertson.

<LINDA MAY STEWART, on former oath

[2.10pm]

MR ROBERTSON: Could the witness please be given access to volume 3
of the exhibits, that's Exhibit N3, Board Exhibits, volume 3. Ms Stewart,
you recall that before lunch I was asking you some questions about William
10 Walker - - -?---Yeah.

- - - and his capacity as site officer? I'll just ask you to turn to page 4 of the
volume that you've just been provided with?---What page?

Page 4, using the numbers on the bottom right hand corner. To get to that
page you'll see a little 5 and a little 4 as well.---Yeah.

And you'll see a figure of \$5,993.16 on the bottom of the page. Have you
got that there?---Yeah.
20

Now if you have a look about three tenths of the way down the page can
you see a heading there William Walker?---Yes.

And do you see there a reference to the fact of advice that William Walker
did not work at your Local Aboriginal Land Council after November of
2011. Do you see that there?---Yep.

Is that consistent with your recollection as to when Mr Walker ceased to
work through the, through your Local Aboriginal Land Council?---I don't
30 remember the dates or the times.

But is it correct to say that he did cease to work at some time - - -?---Yeah.

- - - around about November of 2011? It might not have been 2011, I'm
sorry, it might not have been November, it might have been a month or two
after or a month or two before?---Yeah, I don't know the date, so - - -

You don't know the exact date - - -?---No.

40 - - - but it was around about that time, time period. Is that right?---Probably.

And does it follow from that that you accept that the extent that any cheques
were in the name of William, William Walker, a couple of months after
November, so for example in February of 2012 or March or April of 2012,
do you accept that those cheques must have been cheques that weren't
properly issued to Mr Walker?---Yeah.

You would accept that?---Yeah, I accept that.

And so those kinds of cheques are likely to be cheques that you cashed and that you kept the proceeds?---Yes.

And again - - -?---Most likely, yeah.

And again you would have accepted – you would have taken 100 percent of the proceeds at least if Ms Skinner had resigned by that point or the 50/50 arrangement - - -?---Yeah.

10

- - - in respect of any cheques where Ms Skinner was already there?---Yeah.

Can I then ask some questions to clarify some of the things you said about superannuation? Can the witness please be given access to volume 2 of the exhibits? And this is Exhibit N3, folder 2. If I can ask you to turn to page 259. And I think you accepted this morning that to the extent that you had payments authorised for superannuation those amounts weren't actually paid into superannuation accounts. Correct?---Yeah.

20

And those amounts were subject of cheques which were cashed?---Yes.

And you kept the proceeds in respect of those cheques?---Yeah.

And so just to take as an example you'll see on page 259 a reference there to Dwaine Hickling Super. See that there?---Yes.

30

And does it follow from what you've just said to me that you accept that cheque number 2160, which was authorised there was a cheque that you cashed and you kept the proceeds along with Ms Skinner? Do you accept that?---Yes, if that wasn't paid to super, yes.

But I think you've accepted that no payments were made in - - -?---Some, some, some payments were kept and some were paid so I'm not sure whether that's one of the ones that I paid or I kept or – I can't be sure so - - -

40

But at least in respect of this date, if you look at 10 October, 2011 date the cheques that you cashed on that day were amounts that you kept yourself. Do you agree with that?---Like I said I don't remember the dates or the cheques.

All right. So at least some of the superannuation - - -?---Some of them, yeah.

- - - amounts you kept?---Yeah.

But you're saying you can't remember here and now which ones you kept - - -?---No.

- - - and which ones you didn't keep?---No.

Now, in late – and do you recall whether in late 2011 you made any payments towards super at all?---I don't recall.

So you might have but you might not have?---Yeah. I don't - - -

And - - -?---It's too far back for me.

10 And does it follow from that that it's quite possible that to the extent that you cashed cheques for superannuation in both October and November of 2011 it's quite possible that you kept the proceeds or at least shared them with Ms Skinner?---Yeah, it's quite possible yeah.

So you're not, you're not - - -?---It's quite possible.

You're not denying that that may have happened?---No.

20 Do you still have volume 2 of the exhibits there or has that been taken back?---Yeah.

Go back to volume 3 and I'll ask you to turn to page 10. This is Exhibit N3, volume 3, page 10. Now, the office for the LALC was a rented office I take it?---Yes.

And obviously one would have to pay rent for that from time to time? ---Yes.

30 And that was rent that was paid by cheque while you were CEO?---Yes.

And that cheque was given to the real estate agent Savins Real Estate. Is that right?---Yes.

From time to time?---Yes.

It wasn't paid in cash for example?---No.

40 If you can turn to page 10. Can you see there a cheque made out to Savins Frist National?---Yes.

Is that your handwriting on the front of the cheque?---No.

Do you know whose handwriting it is?---It looks like Veronica's.

It looks like Ms Skinner's?---Yeah. It's not mine.

And is a cheque you recall having been issued or is this something that Ms Skinner might have done?---I don't remember, I don't remember this.

And does it follow from what you said before about the payments to Savins that if a cheque was cashed which was in the name of Savins First National that would be a cheque – the proceeds of that would have likely have been kept by - - -?---If it was cashed, yes.

Yes. So you can see about three-tenths of the way down the page a reference here to please pay cash?---Yeah.

10 If this cheque was in fact cashed would you accept from me that the proceeds would have been kept by you and Ms Skinner?---Yeah, if it was cashed.

Yes. And the proceeds would have been split 50/50 - - -?---Yeah.

- - - consistent with what you said before?---Yeah.

When did you first reach that agreement with Ms Skinner about - - -?---I don't - - -

20

- - - cashing cheques?---I don't remember.

- - - 50/50?---I don't remember.

Was it very early in your relationship as CEO and as Administrative Assistant?---I don't remember when – what day or year it was.

I'm not expecting you to remember the specific day - - -?---Yeah.

30 - - - or the specific month but is it fair to say it was towards the start of your tenure as CEO and her tenure as Administrative Assistant?---I don't know.

THE COMMISSIONER: Can you explain how that came about. I mean you must have had a discussion with her at some stage. Did it arise because she became aware of what you were doing or was there some other, was there some other trigger, was it discussed because you were both frequenting the same club or - - -?---Yeah.

40 So it was in the context of your - - -?---Of needing money. That was the context.

Of your gambling at the - - -?---Yeah.

- - - at the same club?---Yeah.

And so what, there was a discussion about needing money was there?
---Yeah.

And at the time that you had that discussion with Ms Skinner were you already cashing cheques?---No.

You weren't?---No.

So what, was this kind of a mutual idea - - --?---Yeah.

- - - was it about how you could obtain funds?---Yeah.

10 MR ROBERTSON: And so to be quite clear then, from the very first cheque that you chased and kept the proceeds that 50/50 arrangement was in place?---Yes.

And do you recall where that deal was reached, was it possible that it was at the RSM Club or is it more likely at the office?---No, it was the office.

I'm sorry?---At the office.

20 At the office. And before anyone cashed the first cheque and kept the proceeds?---Yeah.

Now a number of cheques that you have issued from time to time would relate petty cash type items. Do you accept that?---Yeah.

And would sometimes refer to small supplies like Woolworths and others? ----(No Audible Reply)

30 And was it the cast that there was a policy at the Board level that at least in general terms petty cash should be for \$50 and no more?---I don't remember, I don't recall.

You don't recall whether there was a policy as to how much petty cash you should have?---No.

How much petty cash did you generally have on hand at the office from time to time?---It would've 50, I don't know. I don't recall how much it was. It wasn't much.

40 And I assume that Woolworths doesn't take cheques?---No.

So when a cheque is issued in the name of Woolworths what does that mean as a practical matter? Does that mean you then cash it and then take the, and then take the cash?---No. It would've been for a meeting or something we had to buy for a meeting.

But as a practical matter you have a cheque issued in the name of Woolworths do you then go to the bank and convert the cash to cheque?---Yeah. And then go and buy whatever.

And then the idea is to use the cash to Woolworths to buy whatever might, might be required?---Yeah. For a meeting.

Now from time to time when you issue cheques of that sort by which I mean cheques of \$50 or \$100?---Yeah.

10 - - - or \$400, at any time were there excessive proceeds, for example, you might've issued a cheque to Woolworths for \$400 and in fact only needed \$250?---It could've happened.

Were you ever in that situation?---It could've happened.

And when you had that extra amounts of money did you keep that money or what did you do with it?---Well it was split.

It was split between you and Ms Skinner?---Yeah.

20 So just to be clear about that. To the extent that we see small cheques to people like Woolworths or to petty cash or things of that sort, at least on some circumstances the proceeds were used for legitimate expenses, meeting expenses?---Yeah. Well most of them would've been.

Perhaps travel expenses and things of that sort?---Yeah.

But you accept that on at least some occasions you kept some of the proceeds of those cheques?---Yeah. That was left over.

30 To the extent that there was money left over?---Yeah. Whatever money was left over.

And whilst Ms Skinner was the administrative assistant you would split it 50/50?---Yeah.

And when she wasn't you'd keep a 100 per cent yourself?---Yeah.

40 And I take it sitting there now you wouldn't be able to say to me, well, I kept \$25 of this cheque and I kept \$10 of this cheque - - -?---No, I wouldn't be able to.

- - - and I kept \$300 of that cheque?---No, I wouldn't.

But you at least accept that in part you have pocketed some of the cash coming out of - - -?---Not all the time but some.

- - - of smaller cheques?---Yeah.

Sometimes yes and sometimes no?---Yeah.

And does that apply with respect to travel allowances as well? Is it possible that a travel allowance might've been issued, someone doesn't need as much money for petrol or for food or the like and there's left over money which you then pocketed?---Yeah.

So the answer you gave with respect to petty cash applies generally to what I might describe as, as small expenses of - - -?---Yeah.

10 - - - a few hundred dollars. Some of it was used for legitimate purposes, some of it was not used for legitimate purposes?---Yeah.

What about cheques that have been issued to NAIDOC, N-a-i-d-o-c or the NAIDOC Committee, what were they for?---For the NAIDOC (not transcribable)

Well is it the case that each and every one of those cheques were for the NAIDOC Committee for legitimately purposes?---Yes.

20 And so at least on my reckoning there was one, two, three, four, five, six cheques issued to NAIDOC variously between about \$300 and about \$2,643.50?---Yeah.

Is that consistent with your recollection?---Yeah.

And are you saying that every cent of those cheques went to the NAIDOC Committee and was legitimately used or you're not sure?---I couldn't say for sure. No.

30 And when you say the NAIDOC Committee, what specifically do you mean, who are the NAIDOC Committee for that purpose?---I don't recall who they were.

But were they members or Board members of your LALC or were they some other group of people?---I don't recall.

But was it for - - -?---We organised a NAIDOC fund, like a day once a year.

Yes?---And the money was spent on that.

40

And that was for activities within your local area?---Yeah.

And as a practical matter how did that work? Are cheques issued in the name of the NAIDOC Committee?---Yeah.

Again is that cheque cashed?---Yes.

And the cash goes where?---Well we had to buy things.

So you don't hand over the cash to any particular person?---No.

You keep the cash?---Yeah.

And then the idea is to use it for the purposes of the NAIDOC Committee?
---Food, drinks, whatever. We pay people on the day to work on that day.

10 And so why wouldn't those kinds of expenses fall within the same category
as the petty cash or travel expenses? It must have been the case that some
of those cheques you didn't spend all the money, and there must have been
some leftover money, mustn't there?---There could have been.

So are you accepting from me that it's quite possible that not all of the
money, referable to the cheques marked NAIDOC committee, actually
went for NAIDOC events? It's possible that there was some excess left
over?---There could have been left over, yeah.

20 And to the extent that there was an excess left over - - - ---Yeah.

- - - do we assume that the same rules apply - - - ---Yeah.

- - - whilst Ms Walker's there, sorry, while Ms Skinner is there, it's a 50/50
split?---Yeah.

When you're just there, you keep a hundred per cent of the proceeds.
---Yeah.

30 But sitting there here and now, you wouldn't be in a position to say it's \$10
from this cheque, it's \$1,000 from another cheque?---I couldn't say.

And so on and so forth.---I couldn't say, no.

Now, at least at the time that you were the CEO of the Local Aboriginal
Land Council, you had a gambling problem.---Yes.

40 Is that fair to say? Can the witness please be given access to volume 2 of
Exhibit N1? I'll ask you to turn to page 115. At least between 2010 and
2012, you were a member of the local RSM Club. Is that right?---Yes.

And that stands for Returned Services Memorial Club.---Yes.

And that's a similar kind of club to what many of us would know as an RSL
Club. Is that right?---Beg your pardon?

That's a similar - - - ---I know what you said. I'm trying to read.

I'm sorry.---Yeah.

That's a similar kind of club to what many of us would know as an RSL Club. Is that right?---Yeah, it's the same club.

It's got poker machines.---Yeah.

It's got a pub. That kind of thing. Function rooms and that kind of thing.---Yeah.

10 If you go first to page 122 of that volume. We're in Exhibit N1, volume 2.--
-Yeah.

Page 122. Can you see a reference to your name there, Linda Stewart?---
Yes.

Can you see there a badge number of 1924?---Yes.

Now, is that a reference to the badge or card number that you had - - - ---My
20 membership number.

- - - as a member of the RSM Club?---Yeah.

And in general terms, does that work where one effectively logs in to a
poker machine, or logs in to the club, and you get points - - - ---Yeah, yeah.

- - - depending on how much you spend and things of that sort? Now, can I
just ask you to cast your eye down page 122? Can you see a heading there
marked "visits"? And can you see a series of dates underneath? It's first
30 the number 22.---Yeah.

And you can then see a series of dates. Do you see that there?---Yes.

Now, is that consistent, or at least generally consistent, with your
recollection as to the number of times you probably went to the RSM - - - ---
-Yes.

- - - Club in 2010?---Yes.

I'm not expecting you to remember every visit - - - ---Yeah.
40

- - - today, but that's consistent with the number of times that - - - ---Yeah.

- - - you might go during the week. Now, if you then go towards the
middle, you can see a heading called "turn". Can you see that? T-u-r-n.---
Yeah.

And in the next column, there's a column called "wins".---Yeah.

Can you see that there? And then if you go to the very bottom of the page, you can see a figure. The total of the turn column is 2578434. Can you see that there? It's the total of the turn column.---What was the – what - - -

It's on page 122.---Yeah.

You should see a number of 957 - - - ---Yeah.

- - - 8434. Can you see that there?---Yeah.

10

And then adjacent to that, under “wins”, is wins of 872230.---Yeah.

Now, is that consistent, sorry, withdraw that.

THE COMMISSIONER: 380.

MR ROBERTSON: I'm sorry, Commissioner.

THE COMMISSIONER: That's all right.

20

MR ROBERTSON: 872230.

THE COMMISSIONER: 380.

MR ROBERTSON: I'll try a third time. I might get it right. 8722380. Now, the turn column seems to be a reference to “to turn over”. In other words, the number of times you press the button. So a five-cent - - - --- Yeah.

30

- - - machine will be a five-cent - - - ---Yeah.

- - - turnover every time you press the button. And wins, the number of times you win. Can I let you know that if you subtract the 9578434 - - - --- Yeah.

- - - figure to the 8722380 figure, one ends up with a dollar figure of \$8,560 - - - ---Yeah.

40

- - - as basically a loss number. Now, is that generally consistent with what you would think your loss would have been in 2010 only in the Casino RSM Club. I don't expect you to know the exact figure, but is that generally consistent with - - - ---Well, I suppose so.

You have no reason to doubt that figure?---No.

And at least as a general proposition whenever you went to the club you would use your badge or your card wouldn't you?---Yeah.

Every time or just almost every time?---There could have been days I went there and I didn't use it. I don't know.

But at least, at least in the ordinary course - - -?---Yeah.

- - - you'd use your card because that way you get the points?---Yeah.

10 Now can I then ask you to turn over the next page, page 123, that's then moving into 2011? And can I just ask you to cast your eye down that report which of six pages and it goes through page 123 all the way down to page 128? I'm going to ask you some similar questions about 2011.---Yes.

Now again if you look at page 123 immediately underneath the heading Visits, you see 134 visits. Is that consistent with your recollection?---On what page are we on?

Sorry, I'm on page 123, which is the start of 2011.---Yeah.

20 And can you see the reference to 1-3-4 visits?---Yeah.

And then can you see underneath that a series of dates?---Yes.

And is that generally consistent with your recollection as to the number of times you went to the Casino RSM Club in 2011?---Yes.

30 And looking at the duration column, the final column on the right hand side, is that generally consistent with your recollection as to duration noting that it probably counts from in effect when you log on to when you log off. Is that consistent with how much time you probably spent in the Casino RSM Club? One hour sometimes, two hours sometimes, more than that other times?

MR LEWIS: Commissioner, I just rise to my feet, on 17 March, this shows that she spent 30 hours?---Yeah, I don't think the hours are right.

MR ROBERTSON: But is it – have you ever been in the club beyond midnight on a particular night?---It doesn't open after midnight.

40 I see.---I'm pretty sure it shuts at 11.00 or 12.00.

So does it follow from all that that you at least accepting that the number of visits is likely to be right?---Yeah.

The duration of the visits may or may not be right?---Yeah. Mmm.

For example you might not have in effect logged at, at a particular time and it might have, and the system might have assumed that you were there for

30 hours when in fact you were there for an hour or two?---You can't be there for 30 hours at one time.

No. Particularly not in a calendar day?---Especially when it's not open of a night, like late, it's not a 24 hour - - -

Yes. Now can you see in this table you have the similar columns of Turn and Wins which were the same column - - -?---Yes.

10 - - - that I talked to you about 2011. If you then go to the end of this report which appears on page 128?---Yeah.

You'll see the totals, there's a total of, and I'm trying to get it right this time, 7-8-5-7-8-1-0-0?---Yep.

And 7-2-3-6-9-1-24.---Yeah.

Now can I let you know the difference between those two figures is about \$62,000?---Yeah.
20

And would you accept from me that that's approximately the amount of loss that you would have had on the pokies in the calendar year 2011. It's generally consistent with your recollection?---Yeah.

Do you accept that?---Well I don't know exact figure but - - -

No, I don't, I don't suggest you know the exact figure - - -?---Yeah.

- - - but that seems around about right in light of your recollection as to what you did in 2011?---Yeah, I don't recall, so - - -
30

Well but - - -?---Do you want me to answer yes, that I do know that it is that figure or no I don't know, which I don't know? I don't know what you're asking.

THE COMMISSIONER: We appreciate that you wouldn't know exactly but the - - -?---It seems high to me, that's all. It's a high amount.

But the, the report simply notes the number of times that you've, you've inserted money into a machine.---Yeah.
40

And, and, and the payout that you've received - - -?---Yeah.

- - - over that period of time?---Gareth pointed out that I was in the club for 30 hours at one time, which I can't do.

Well no, we appreciate that, but the - - -?---Yeah, so - - -

- - - but the figures in terms of the, the turnover and the payouts - - -?
---Yeah.

- - - that's all mechanically recorded. I mean we're only looking at the space of 2011.---Yeah, O.K.

MR LEWIS: Commissioner, I'm sorry to interrupt but the terms are just a bold figure. We don't know the value of the machine, whether it's a five cent machine - - -

10

THE COMMISSIONER: Well that's true, that's true?---Yeah.

And the next column, the wins, we don't know if that's a dollar amount or the number of times she had a win.---Yeah.

And then she has to rely on my friend to convert those two numbers into a dollar figure. We don't know the, the formula that's been used - - -?
---Yeah.

20

- - - to convert those two - - -

Well, we can make that clear I think at some point.

MR LEWIS: Yeah.

MR ROBERTSON: Can I make it clear how I've given you the \$62,000 figure on page 128?---Yeah, I know how you got the figure. Yeah.

30

It's just simply subtract one from the other.---Yeah, yeah, I know that but
- - -

Now, you have no reason to think that that \$62,000 figure is wrong do you?

MR LEWIS: Well, I object, Commissioner. Is it being put to the witness that these columns of figures represent dollar amounts?

THE COMMISSIONER: Yes. As I understand it they do because if you subtract one column from the other I think that's where you get to the 62,000.

40

MR LEWIS: Well, I'm not, I'm not clear on that. My friend said it might have been a five cent machine and the terms he suggested to the witness was every time you pushed the button. Now, that couldn't be a dollar figure. That would be one-twentieth of a dollar.

THE COMMISSIONER: Well, as I said I'm not altogether sure that we've gone into this at some length but anyway, Mr Robertson can expand on that if he can.

MR ROBERTSON: I'm going to take you back to the 2010 year so there's no uncertainty as to what I'm putting to you. So if you go to page 122. Have you got page 122 now?---Yeah.

And you can see one column called Turn and one column - - -?---Yeah.

- - - called Wins?---Yeah.

10 Now, I want you to assume that the reference to Turn is a reference to each cent of turnover. Do you understand what I mean by that?---Yeah, I understand that.

So if you're at a one cent machine and you bet one cent you get, you get one turn. If you win and get a cent you get one cent in the Win column, if you lose you get zero cents in the Win column. Do you understand that as a background?---(No Audible Reply)

20 THE COMMISSIONER: So on that premise then, Mr Robertson, the first figure on page 122 under Turn would represent \$95,784. Is that right?

MR ROBERTSON: Yes, Commissioner.

THE COMMISSIONER: I think – so that's the basis upon which these figures are calculated?

MR ROBERTSON: Yes. So did you understand that explanation?---(No Audible Reply)

30 So I'm asking you - - -?---I understand how you got the 8,000.

Yes.---But I don't know how those figures got there.

Well, I'm suggesting to you that it's relevant to the badge which I think you've accepted you used most of the time?---Yeah, I've accepted that but I still don't know the ratio of what is there.

Well - - -?---Because it doesn't say dollar signs to me.

40 THE COMMISSIONER: No, but what - - -.---Yeah.

- - - Mr Robertson has just made clear is that these calculations are made on the basis of one cent per turn.---Yeah.

One cent per win.---Yeah.

So if you take the top figure 9-5-7-8-4-3-4 and you divide it by 100, that being 100 cents in the dollar - - -.---Yeah.

- - - you get in effect a figure of \$95,784.34. Do you see that?---Yeah.

So that's the basis on which the calculation is made.---Yeah.

MR ROBERTSON: So do I take it from that you now understand the explanation I'm putting to you about the Turn column - - -?---Yeah.

- - - and the Wins column?---Yeah.

10

And as a result I'm suggesting to you that you – that in 2010 you had a turnover, looking at the figures at the very bottom - - -?---Yeah.

- - - of that page, of \$95,784.34?---Yeah. That was on the machine.

And I think you - - -?---Yeah.

I think you understand what I mean by turnover?---Yeah.

20 Each time – in effect each time you bet?---Yeah, it wasn't in my hands.

It wasn't in your hands?---Yeah, no.

It was probably sitting in the machine?---Yeah.

The Wins column of \$87,223.80. Do you see that there?---Yeah.

And I have subtracted one from the other which leads to \$8,560 - - -.
---Yeah.

30

- - - or thereabouts. Understand that?---(No Audible Reply)

And I'm suggesting to you that that approximates the amount of loss that you made on the Casino - - -?---In that three month period.

- - - RSM machines in 2010?---Yeah. In that three month period.

Now, do you accept that that's around about the right figure? I don't suggest you know - - -?---I'm assuming it is so - - -

40

Well, you've got no reason to think that that figure is wrong do you?---No.

And similarly when we move to 2011 and can you assume that the table is calculated in the same fashion. Going to page 128 and can you see there a figure starting with 7-8-5-7. This is on page 128 of the exhibit?---Yeah.

So I'm suggesting to you that in the financial year – sorry, in the calendar year of 2011 you had a turnover of \$785,781?---Yeah.

And wins of \$723,691.24?---Yeah.

The difference between those two figures is about \$62,089.76?---Yeah.

You understand that arithmetic and how I've calculated that?---Yeah.

10 And I'm suggesting to you that's consistent with the amount that you would've lost on the Casino RMS machines in that year of 2011. Do you agree with that?---I assume so, yeah.

Well you have no reason to doubt the accuracy of a figure of about \$62,000, correct?---I just think it's high but it's in front of me so - - -

It seems high but it's probably about right?---Well I could be, yeah.

Well you're not denying that it's correct, is that, is that fair?---No.

20 And then in respect of 2011, you'll see that report starting on page 129 which is the next page. And the report works in exactly the same fashion. Again, I'll just ask you to cast your eye down that table. Again if you have a look at the visits, is that generally consistent with your recollection as to the number of times that you went to the Casino RSM to play the pokies?---Yeah.

And if you go to the end of that report can you see there a figure of – starting with 743?---Yeah. Yeah.

30 And so the turnover there \$743,305.71?---Yeah.

See that there. And then wins of \$668,875.19, see that there?---Yeah.

And the difference between those two I'll tell you about \$74,430. And do you accept that that is likely to be around about the amount of loss you made in 2012?---I suppose so.

I'm sorry?---I suppose so.

40 So is it in effect the same answer as you gave for 2011?---Yeah.

It feels a bit a high but it may well be right?---Yeah.

You agree with that, but you have no particular reason to doubt the accuracy of the figure?---No.

Now if, if this figure's right and we add up those three totals I've put to you which is the \$74,430 plus the \$62,089 and the \$8,560, I can tell you we get to a figure of \$145,079?---Yeah.

Now other than your income as the CEO of the Casino Boolangle Local Aboriginal Land Council, what, what, what funds did you otherwise have access to in 2010 to 2012?---None.

So is it correct to say that the only funds you had access to were your ordinary salary that you're entitled to plus your share of the cashed cheques that we've been talking about?---Yeah.

10 And so is it fair to say to the extent that you ran out of money from your salary, what was feeding your gambling habit and gambling problem was the cashed cheques that we've been talking about?---Yeah.

And so do you therefore accept that the total amount of the cheques that were cashed and which you have taken the benefit of is likely to be really at the higher end of that \$145,000 because that was what was mainly feeding it, do you accept that?---Say that again, I don't understand what you're trying to - - -

20 I think you've accepted that the money for the pokies came really from two sources your - - -?---Yeah.

- - - legitimate salary and your illegitimate cashing of cheques. Is that a fair statement?---Yeah.

Now your, your salary as CEO was about \$56,000 something like that?---Yeah.

30 And so I take it that you accept from that that you weren't just spending your salary alone in the pokies at the RMS Club?---No.

You needed, there was extra money to make it up to the \$145,000 or thereabouts?---Yeah.

THE COMMISSIONER: Well it was 56,000 net was it, sorry gross but that wasn't what you were actually taking home?---No.

So what would you take home on your salary?---Eight, 900 a week.

40 Beg your pardon?---Eight, 900 a week.

Eight or 900 a week?---Yeah. Roughly in between there.

MR ROBERTSON: Does the number \$873 ring any bells?---Yeah, yeah. It probably does.

And is that, is that what you were mostly paid by the legitimate salary?---Yeah.

And you accept of course, that that wouldn't have been enough to feed the kinds of turnover and loss amounts that we've indicated in those reports?---
Yeah.

And so does it follow from that that you accept that your gambling problem was predominantly funding by the illegitimate cashing of cheques that you did?---Yeah.

10 Not necessarily wholly but it was at least predominantly?---Beg your - - -

I'm sorry?---You're getting me - - -

I'm sorry. I'm probably going too fast?---Yeah.

Do you accept that your gambling problem with pokies at the Casino RSM was predominantly, was mainly funded through the illegitimate cashing of cheques through the Local Aboriginal Land Council? Is that where you got most - - - ?---So - - -

20

- - - of your money from for that purpose?---I still don't understand what you're trying to say. I put my money through as well as the Land Council money. Is that what you want me to say?

THE COMMISSIONER: No, it's not - - - ---Because my - it's my money went through first.

It's not a question of that. It's not what we - - - ---Yeah.

30 - - - want you to say.---Well, I might - - -

What we're trying to do is understand precisely what proportion of your salary went through as opposed to what proportion of the cashed cheques went through that particular source. But the \$873 a week that you took home - - - ---That would have went in the machines.

Well, did you have any commitments such as rents or payments - - - ---Just food.

40 - - - on vehicles or - - - ---I don't own a vehicle.

All right. So it was just your food and your, what, utilities?---Yeah.

That kind of thing.---Yeah.

And otherwise the money went through the poker machine?---Yeah.

And so what kind of cash disposable income would you have at the end of the week after you'd bought your groceries and paid your bills, on average?--I don't know. I can't - - -

All right.---If I got paid and I went to the club, that whole pay went into the machines.

All right. So the whole - - - ---Without paying anything.

10 All right. But in that circumstance then you'd have to find money - - - ---
Yeah.

- - - from elsewhere.---Yeah.

And so it was either - - - ---Yeah.

- - - the money that you were cashing from the cheques or it was the salary -
- - - ---Yeah.

20 - - - that was paying - - - ---Yeah.

- - - both your expenses - - - ---Yeah.

- - - and the gambling. Is that right? Is that right?---Yeah, I think so. I'm
just getting a bit - - -

MR ROBERTSON: That's fine.--- - - - caught up, that's all.

30 We'll take it - - - ---Yeah.

We'll take it slowly. But it's a fair summary of how it worked, is you
would get your money, either your legitimate salary or your cashed cheques,
and in effect you'd be straight off to the pokies.---Yeah.

And you would put that money in.---Yeah.

40 And so to the extent that you ran out of money from your ordinary,
legitimate salary, that - - - ---The rest of the money went through there as
well, yes.

- - - that in practice meant that you - - - ---Yeah.

- - - needed to get another cashed cheque issued to give you the money,
because otherwise - - - ---Yeah.

- - - you didn't have the money to put in the - - - ---Yeah.

- - - put in the machines.---Yeah.

But noting that it seems that there was about \$145,000 or thereabouts in loss over that whole period I've taken you to, you must accept, mustn't you, that most of the money that went into the pokies came from the illegitimate cashed cheques?---When you say "illegitimate", I don't understand.

Well, from the cashed cheques we've been talking about.---Yeah.

10 That is to say - - - ---But you're saying most of it – but my wage is more than what - - -

So in effect you're saying that some of your legitimate wages were going into the - - - ---All of it was.

Well - - - ---All of my wages were going into the poker machines, is what I'm saying.

And in effect also all of the cashed cheques - - - ---Yes.

20 - - - we've been talking about as well.---Yes.

And do I take it from what you're saying that you don't know, sitting there, whether most of your pokies money was coming from the cashed cheques, or most of your money was coming from the salary, or how it split up between the two? Just when you had money, you were straight down to the pokies?---Yeah.

30 But you would accept, wouldn't you, that we can effectively calculate it, based on what I've already put to you? We know how much you were getting paid on a - - - ---Yes.

- - - fortnightly basis.---Mmm.

And I think your evidence is, basically, whenever you've got spare cash, it goes into the pokies.---Yeah, it was there.

And what other expenses did you have from time to time? Did you have rent expenses or - - - ?---No.

40 - - - anything of that sort? Not housing rent or anything of that sort?---No.

So basically any money that you didn't spend on food or anything of that sort is in the pokies.---Yeah.

And you obviously can't tell us, sitting there, how much comes from salary, how much comes from cashed cheques, how much - - - ---No.

- - - comes from anywhere else. Did you have, between 2010 and 2012, did you have a husband or a partner?---Yes.

What was his name?---Bernard Walker.

And did any of his income contribute to this gambling habit?---What – if I got money off him, it went into the machines as well, so - - -

10 So if you got money off of him, that would go into the machines as well.---
Yeah.

Is that right?---Mmm.

And in terms of general expenses, things like food and things like that, would they generally come out of your money or of his or a bit of both?---
Mainly his.

20 Now, can I ask what kind of training were you given as CEO and your
previous role with the LALC in terms of financial matters or other matters?--
None.

None at all?---I don't recall any training.

There was never any financial training about things like budgets or balance sheets or - - - ?---We had to do budgets every week, but we didn't do balance sheets.

30 But in terms of, in terms of training what kind of training, if any, were you
given - - -?---Probably just budget.

- - - either at the local level or at the New South Wales Aboriginal Land Council level?---I would have got some training but I can't recall what, what it was.

And looking back with the benefit of hindsight are there kinds of training or a kind of training that you think should have been provided to you in your capacity as CEO - - -?---Yeah.

40 - - - in particular?---Yeah, there should.

What kind of training do you mean?---Accounts.

THE COMMISSIONER: How would that have helped you though?---I don't know.

Before you had this conversation with Ms Skinner when she arrived as your Admin Assistant, were you putting all of your salary through the poker machine?---Yes. Yes.

So this was a longstanding habit?---Yeah.

So as long as you had – as you said as long as you had cash wherever you got that from - - -?---Yeah.

- - - it went into the poker machines?---Yeah. It was a gambling problem.

10 MR ROBERTSON: And was it one peculiar to the Casino RSM or did you play other machines at other clubs or other forms of gambling?---Probably other forms, like other clubs or pubs or whatever.

And where were they?---In Casino, Lismore, wherever - - -

Wherever you happened to be?---If I was in Sydney I'd go to play poker machines in Sydney.

But it's fair to say that it was predominantly at the Casino RSM?---Yeah.

20 But not exclusively though?---No.

Whilst you were employed by the Local Aboriginal Land Council did you have any forms of performance review or performance assessment, anything of that sort?---I don't think so.

And so there was no sort of formal method of having meetings with the Chair person at any particular time or with particular people to assess progress and - - -?---No.

30 - - - compliance and those kinds of things?---No.

And so is it fair to say that in large part when you're a CEO of a Local Aboriginal Land Council, particularly a small one, you're largely left to your own devices?---Yeah, I think so, yeah.

And whilst you might have some assistance by way of an Administrative Assistant like you had it's mostly your job to deal with, deal with the day-to-day operations - - -?---Yeah.

40 - - - of CEO without - - -?---Yeah.

- - - very much sort of supervision on a day-to-day type basis?---No. Yeah.

Is it correct to say that the only real supervision or at least the predominant supervision is the regular Board meetings with the Board members?---Yeah.

But is it also fair to say that at least as a general proposition the Board members are likely to trust what the CEO or a person in your position will say about - - -?---Yeah.

- - - financial matters and - - -?---Yeah.

- - - and other matters and largely leave it to the CEO to run the show themselves?---Yeah.

- 10 Pardon me for a moment. And I've asked you about in effect supervision but what about support in a more general sense. Did you get much support from, for example, the zone in which your Local Aboriginal Land Council was, support from New South Wales Aboriginal Land Council itself or were you almost exclusively left to your own devices?---We were just left to run it ourselves.

For example, if you thought that you needed some training in financial matters or management matters or other matters - - -?---Mmm.

- 20 - - - would you have the ability to pick up the phone and obtain that assistance or were you largely left on your own?---I still don't get what you're trying to get.

I'm just asking the extent to which you might have received support from the New South Wales – from the umbrella body - - -?---Mmm.

- - - the New South Wales Aboriginal Land Council and whether they would call, write to you or do anything else to offer support in any respect, support, training, things of that nature?---I still don't get – I can't - - -

- 30 THE COMMISSIONER: Well, you said a moment ago that you thought that if you had been trained in accounts that that would have been helpful. ---Mmm.

Well, did you make any inquiries about training – about further training in accounts - - -?---No.

- - - management?---No.

- 40 Did anyone from the New South Wales Aboriginal Land Council or the regional office ever contact you and suggest that there was training available in that way or any other way?---No.

No?---No.

And - - -?---If there was training available we would have went and done it.

But how would you find out that the training was there?---They would have let us know that we've got a budget training next month.

So they did contact you from time to time and say that - - -?---Yeah, we'd get letters saying there's this training or that training - - -

Right?--- - - - but I can't recall what the training was about.

Right.

10

Have you heard of for example a thing called the Local Aboriginal Land Council Support Management System? Does that ring any bells?---LMFS.

And as a practical matter what did that involve while you were CEO?---It's too far, yeah.

20

What, put in another way, what support if any was provided as part of that system?---I think it was three months, every three months we had to report on it. I'm not, I can't recall. It could have been six months or every 12 month - I don't, I can't recall.

Part of that, part of that system was almost a health check with respect to the Local Aboriginal Land Council wasn't it? It involved some questions and answers and things of that sort. Is that, is that right?---I can't recall what it, what it, what that, I can recall the LMFS but I'm not sure what the involvement, what, what it was.

30

So what you can't - - -?---It's to do with accounts, but I don't, I can't recall. I'm sorry.

You can't recall the specifics of it?---No.

But in terms of support more generally did you feel that you were in a position that you could pick up the phone to someone at the zone level or someone at the larger New South Wales Aboriginal Land Council level to get assistance with something you didn't know about or assistance in training or anything else - - - ?---Yeah, yeah.

40

- - - if you wanted to?---Yeah.

So it was something that was available but not necessarily always taken, taken up - - -?---Yeah.

- - - depending on what was going on?---Yeah, yeah.

I have nothing further at this point.

THE COMMISSIONER: Can I ask you were there other members of the, of the Board or were there members of the Board other, other people in the community that frequented the same club that you did in Casino?---On occasions. A lot of the Board members were, didn't, were elderly and didn't go.

Right.---They were Christians.

10 Right. Just in terms of the Board, at the Board meetings were you responsible for presenting the financial report?---Yes.

And, and in terms of your employment by the Board as CEO did you have an employment contract?---Yes.

And was there any, anything built into the employment contract to do with bonuses or increments of salary after a certain period of time?---No, I don't, I don't recall.

20 No?---I don't recall.

And, and do you know if the employment contract was for a specified term?---I only signed one contract and it was for five years.

And so that, that hadn't expired up until the time you resigned that's still running?---Probably when the -- I wouldn't have signed that 'til 2010/11. Yeah, 2011 I think I signed that contract.

30 And was that because they hadn't got around to doing a contract before then?---Yeah, the Land Council did a lot of changes with CEO's and - - -

Right?---There was a lot of changes over the years I was there.

Right. And when you first acquired the position did you, did you do that by way of an interview or was there some other process?---Interviews.

Interviews?---Yeah.

And that was - - -?---I was employed through the Land Council from 2000.

40 And that was with the Board, the Board interviewed you in relation to the position?---Yeah, yeah. I started off as the admin assistant. So I'd been there for 12 years.

Right. So you were first interviewed as an admin assistant and then you were promoted. But when you took up the CEO position did you have to submit to a further interview or not?---Yeah.

You did?---Yeah.

MR ROBERTSON: Just from that arising, can the witness be given access to volume 2 of the exhibits, which is Exhibit N3. Exhibit N3, volume 2, page 3?---I've got 2 here. I don't know which one it is.

I'll ask you to turn to page 3. Can you see a letter there dated 19 April, 2010?---Yes.

10 And in answer to one of the Commissioner's questions, I think you said you signed an employment agreement in about 2010. Is that right?---Yeah, around that time.

Is this the employment agreement that you're referring to?---Yes.

And that employment agreement includes the Annexure A starting on page 7 which identifies the position description and your obligations. Is that right?---Yes.

20 Nothing further.

THE COMMISSIONER: Yes, does anyone else have any questions? Mr Lewis? No?

MR LEWIS: No, Commissioner.

MS HUGHES: Commissioner, I just have two questions.

THE COMMISSIONER: Yes, Ms Hughes.

30 MR ROBERTSON: Just before they start just in fairness can I indicate that I may need to recall Ms Stewart after - - -

THE COMMISSIONER: Yes.

MR ROBERTSON: - - - after I've called Ms Skinner.

THE COMMISSIONER: Yes.

40 MR ROBERTSON: Just that I should say that before anyone behind me asks any questions - - -

THE COMMISSIONER: Yes.

MR ROBERTSON: - - - in case they wish to raise any procedural matter with that.

THE COMMISSIONER: Thank you. Yes, Ms Hughes.

MS HUGHES: Ms Stewart, my name is Ms Hughes. I appear on behalf of Veronica Skinner. She was employed as your assistant and she's considerably younger than you isn't she?---Yes.

Are you aware whether that was her first job?---I don't know.

Who trained her for that position?---I did.

10 So at the time that she started she had no training?---She worked at the hospital in an office position, from what I can gather.

The cheques that, that were written who had access to the cheques while you were CEO? Where were they kept?---In a safe.

And who had access to that safe?---We both did.

You both did. When you were there who, who was the person that filled out the cheques?---Both of us.

20

You both filled out the cheques?---Yes.

And was that the case when you were administrative assistant as well? ---Yes.

You held that position before?---Yeah.

I've got nothing further at this stage, Commissioner. But my client isn't here and I may need to speak to her beforehand. But if Ms Stewart's being recalled then maybe - - -

30

THE COMMISSIONER: It probably can wait - - -

MS HUGHES: Until then.

THE COMMISSIONER: - - - the end I think. It might be wise Ms Hughes because it tends to raise up, raise certain, further issues that then need to be canvased again. So we may as well leave it all to the end.

40 MS HUGHES: Yes.

THE COMMISSIONER: All right. Well you can, you can stand down for the time being and we'll resume at 10.00am tomorrow morning. Thank you.

THE WITNESS STOOD DOWN [3.02pm]

AT 3.02PM THE MATTER WAS ADJOURNED ACCORDINGLY [3.02pm]