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INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE MEGAN LATHAM

PUBLIC HEARING

OPERATION GREER

Reference: Operation E14/0362

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON WEDNESDAY 11 MAY 2016

AT 2.05PM

Any person who publishes any part of this transcript in any way and to any person contrary to a Commission direction against publication commits an offence against section 1122) of the Independent Commission Against Corruption Act 1988.

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

THE COMMISSIONER: Yes, sorry, who was going to go first?

MR MACK: Perhaps if I do Commissioner, I won't be long.

THE COMMISSIONER: Yes.

<GLORIA PROVEST, on former oath

[2.05pm]

10

MR MACK: Ms Provest, my name is James Mack. I represent the Registrar of the Aboriginal Land Rights Act. And I just want to ask you a couple of brief questions about your relationship with the entities that sat underneath the Land Council. Do you understand what I mean by that? You recall going to a diagram and there was a list of entities. Did you ever receive any directors fees from any of those entities?---No.

And did you ever receive any wages or reimbursements for expenses from any of those entities?---No.

20

Thank you.

THE COMMISSIONER: Thank you. Yes, yes, Mr Docker.

MR DOCKER: Thank you, Commissioner. Ms Provest, my name is Shaun Docker. I appear for Mr Johnson. Commissioner could Ms Provest be provided with volumes 1 and 10 of the bundle, please.

THE COMMISSIONER: Ah hmm.

30

MR DOCKER: I think more correctly described as Exhibit G2 or G1. Ms Provest, first if you could turn to volume 10 and I just want you to go please to page 121, just using the small numbers on the bottom right of each page. It's towards the end of that folder?---Yep. Yes.

Can you recall being asked questions earlier about the meeting on 10 December, 2012 by reference to these minutes?---Yes.

40

And in particular if you go over the page to page 122 you were asked questions about motion 4. Do you recall that?---Yes.

And in the course of that questioning you were asked about – I'll withdraw that. You, you gave some evidence that it was your understanding that it was part of Mr Johnson's job, part of Mr Johnson's job as the Chief Executive Officer of GLALC to, to work for the entities underneath it. Is that your understanding?---Well responsible for those entities - - -

Yes?--- - - - as the CEO, yeah. Not actually possibly work for them, but anything that was happening he was responsible for.

So he was in charge – I'll withdraw that. It was your understanding that he was responsible for the day to day operations of each of the entities underneath GLALC. Is that right?---Yes.

Just like he was responsible for the day-to-day operations of GLALC itself?--Yes.

10

And could I just ask you now to turn – sorry, before I ask you that, if you just look at motion 4 there, there's a reference to GMS Limited. You see that?---Yes.

And that was, to your understanding at the time of this meeting, one of those entities which Mr Johnson had responsibility for the day-to-day management of?---Yes.

20

Marumali Limited? Is that another one of them - - - ?---Yes.

- - - that you understood he had responsibility for the day-to-day management of?---Yes.

And GHS Limited? Yes?---Yes.

And GTS?---Yes.

30

Now, it's true, isn't it, that GTS provided a transport service to the community at Gandangara?---That's right, yeah.

And GHS, what did you understand that did?---I can't recall what GHS was.

Is GHS, could that be the Gandangara Health Service?---Health service, I think, yeah.

I'm sorry, I couldn't hear that.---I'm thinking it's the health service, but I, yeah.

40

And do you recall at that stage that it ran a medical centre?---Yes, yeah.

And Marumali? Do you know what that was doing?---That was the health centre, I think. The health centre.

Right. So that was a health centre within the health service, is that right?---Yes.

And GMS, were you aware what that did?---No.

All right. Now, I suggest to you that the contracts referred to in motion 4 were in fact provided to you and your board members' folder before the meeting. What do you say about that?---I don't recall.

You don't recall?---No.

So you couldn't say one way or the other? Is that right?---That's right.

10 And I suggest to you that the purpose of this resolution was – I'll withdraw that. I suggest to you that you understood by this resolution that this related to part of Mr Johnson's remuneration package for managing the day-to-day operations of all the entities in the GLALC group.---It's possible. I didn't see a contract, so.

I'm just asking you about your understanding.---Can you ask it again, please?

20 I'm suggesting to you that you understood that this resolution related to part of Mr Johnson's remuneration package for managing the day-to-day operations of all the entities in the GLALC group.

THE COMMISSIONER: Sorry, Mr Docker. Could I just clarify one thing? Are you saying that this was part of his remuneration package overall? Or that this was a separate remuneration package that is distinct from the one that he had with GLALC?

MR DOCKER: It's part of an overall remuneration.

30 THE COMMISSIONER: An overall remuneration package?

MR DOCKER: Yes.

THE COMMISSIONER: Sorry. Do you understand that, Ms Provest?
---No.

40 Well, what Mr Docker is suggesting to you is that you understood that the amounts that are set out against the names of each of those entities were part of Mr Johnson's overall remuneration package that he had with the GLALC. He's asking whether or not that was your understanding.---No.

It wasn't?---No.

MR DOCKER: But you knew, didn't you, that he managed the day-to-day operations of each of the three companies that are referred to there in Romans one, two and three of the motion?---I knew that they sat under GLALC and they were part of the operations of GLALC. That was how I understood it.

But you also knew that he was responsible for – the person primarily responsible for the management of the day-to-day operations of those three entities didn't you?---Yes.

Amongst the others in the group?---Yes, yeah.

And you knew that this resolution related to money that Mr Johnson's company would be paid?---Could you just ask that again please.

10 You knew that this resolution related to money that Mr Johnson's company would be paid, that is, Waawidji?---I don't recall the resolution.

Right. But reading it now you'd accept that that's the case don't you? ---Reading it now after knowing what's in the, the Land Rights I don't think that could be but possibly could be but I'm not sure that having another company contracted that's owned by Jack could, could do that.

Yes. I'm not asking you whether it was permitted, whether it could be done or not, I'm just asking you reading the resolution now you can see that the
20 effect of it is that amounts of money would be paid to Waawidji by these – the three entities mentioned in there?---Possibly.

You say possibly. Do you – reading the resolution do you have any doubt that that's the case?---It doesn't say - - -

THE COMMISSIONER: You're asking about - - -?--- - - - exactly what it's for.

30 THE COMMISSIONER: I'm, sorry. You're asking about her understanding back then when the resolution was passed.

MR DOCKER: No, I've gone past that because - - -

THE COMMISSIONER: Oh, all right.

MR DOCKER: - - - she said she can't remember.

THE COMMISSIONER: All right.

40 MR DOCKER: And I'm asking her what her understanding is now that she's reading it.

THE COMMISSIONER: Yes. Thank you.

THE WITNESS: It possibly was, yeah.

MR DOCKER: The – I suggest to you that – sorry, I withdraw that. I just want to bring you back to your recollection of the meeting at which this

resolution is passed, was passed and I think you just said that you don't remember the resolution. Is it the case that you don't even remember that there was a resolution passed about contracts with Waawidji?---There was discussion. I don't remember seeing it written like that I said.

Right.---Yeah.

So you recall there was discussion about contracts between GLALC entities and Waawidji?---Yes.

10

And do you recall understanding at the time in relation to that discussion that as a result of those contracts Waawidji would be paid money?---Yes.

And do you recall that the, the money that Waawidji would be paid was for at least in part what the, the services Mr Johnson was providing for the overall management of those GLALC entities?---They were for service but I don't know what they were.

20

Right. And do you recall that in the – from the discussion that the proposal was simply to change which ones of the entities would be paying Waawidji but not affecting the amount of overall payment that would be going to Waawidji?---I don't recall that.

Now, if I could just ask you turn back to page 121 and you can see the first page of those minutes of the meeting of 10 December, 2012.---Ah hmm.

And the first motion is the acceptance of the minutes from 30 October, 2012 meeting. Do you see that?---Yes.

30

Now do you recall that resolution being passed?---The minutes, that one?

The acceptance of the minutes from the last meeting?---It happened every time.

It happened every time?---Yeah, there's nothing unusual about it.

And do you recall being in favour of the resolution on that occasion?
---About the minutes, yeah.

40

Well, so the Commissioner can take it that you agreed that the minutes of the meeting of 30 October, 2012 were accurate?---Yep.

Yes?---Yeah.

Now if I could just ask you to turn to page 118 of that volume 10. Do you have that there?---Yes, yes, sorry.

Now you can see that at pages 110 to, sorry, 118 to 120, I suggest to you that these are the minutes of the meeting of 30 October, 2012?---Yes.

Do you agree with that?---Yes.

And you were present at the meeting of 30 October, 2012?---Yes.

And you were asked some questions about this meeting earlier. Do you recall that?---Yes.

10

And in particular about motion 2 and what was called the Representation Letter. Do you recall that?---Motion 2.

THE COMMISSIONER: It's actually just under, under the heading Financial Reports?---Yeah, I've got it, yeah. Yes.

MR DOCKER: Do you recall that? That was the letter that was signed by Mr Johnson and Ms Cronan on behalf of the Board - - -?---Yes.

20

- - - to Lawler Partners?---Yep.

Do you remember that?---Yes.

And you were aware in October 2012 that Lawler Partners were the auditors of the Land Council, of GLALC?---Yes.

And you, you can see there if you look at Visitors on, a little bit further up the page, do you see the heading Visitors?---Ah hmm.

30

And you can see that there's a reference to auditors Lawlers?---Yes.

Do you recall them being present at that meeting?---They were at a meeting, I'm assuming it was that one that's in the minutes.

Right. So you recall them being present at one meeting do you?---At a meeting, yes.

Yes?---Yep.

40

And just going back to motion 2, I suggest to you that in your Board papers that was in your folder a copy of the letter that was proposed to be sent to Lawlers was included?---I don't recall it. It could have been, I'm not saying it wasn't, but I don't recall it there.

So it may have and it may not have?---Yes.

And is it the case that – do you remember whether you were in favour of motion 2?---As I said before once it was moved and seconded that was it. No one argued against it.

Right. So you haven't quite answered my question. Were you in favour of the motion or not?---Motion 2?

Yes?---Well possibly. I haven't seen the letter, so - - -

Well you say now that you can't remember whether you saw a letter?
---That's right, I don't recall it so I can't say whether I was or not.

10 Right. But if a letter had been discussed at the, at a meeting and was the subject a proposed resolution and you hadn't seen it you would have asked to see that wouldn't you?---You would think so, yes.

So, would you accept, then, that it's likely that you saw the letter before this resolution was passed?---It's likely, yes.

Do you ever recall – sorry, I'll withdraw that. If those volumes could please be returned and if Ms Provest could be provided with volume 41, please. Ms Provest, could you please turn to page 14 of volume 41?---Yes.

20

And you can recall, can't you, that before lunch you were asked some questions about this letter?---Sorry, making sure I've got the right letter, yes.

Oh, well, sorry, I'll identify it for you. It's a letter from - - - ---No, I have got it. It's up on the screen.

Right. So it's a letter, signed by you and seven of the other board members, to Mr Lombe, the administrator of GLALC, dated 18 February, 2014.
---That's correct.

30

Right. Now, Mr Lombe had been appointed as the administrator the previous year. Is that right?---That's correct, yes.

And so by this stage he had been in the position of administrator for some months?---I can't say how long exactly.

You can't say how long?---He was there prior to that Christmas, yeah.

40 And is it the case that he used to attend the board meetings after he was appointed?---That's correct, yeah.

So he was at all of them?---Yes.

Including the meeting where this letter was discussed?---This letter was discussed prior to the meeting.

Not in the meeting?---(not transcribable) official, yeah.

Right. So he wasn't present when this letter was discussed, is that right?
---Of course, no. No, he wasn't there.

No, he wasn't.---No, he wasn't there.

Okay. You just need to appreciate I wasn't there, so we need to - - -
---Yeah, no, that's fine.

- - - find out from you.---He wasn't there.

10

You knew, though, didn't you that Mr Lombe, as the administrator, was the person, once he was appointed, he was in control of GLALC?---Yes.

And you also knew at the time of signing this letter that Mr Lombe and Mr Johnson had had some correspondence back and forth about some expenses that Mr Johnson had claimed from GLALC.---Not prior to this meeting.

But prior to signing the letter you knew that.---No. Only that afternoon.

20

Right.---Yeah.

But you knew that by the time you signed the letter?---Yes, yes.

And you knew that by signing the letter you were indicating that you agreed with its contents, weren't you?---Yes.

And you knew, didn't you, that Mr Lombe would take it that way?---By signing the letter, I didn't actually agree what was in the letter. I felt pressured to sign the letter.

30

Ms Provest, can I just ask you to answer my question, which is that you understood that Mr Lombe, reading this letter with your signature on it, would understand that you agreed with the contents?---Yes.

And you understood that when you signed it?---Yes.

And you gave some evidence before lunch that you were provided with some information about the claims for expenses that Mr Johnson had made that were being disputed by Mr Lombe?---Yes.

40

And you may have said this before lunch but I'm not quite sure I understood it so I'm going to ask you again. If you could turn to page 9. You can see there that there's an email from Mr Johnson to Mr Lombe on 14 February. Were you provided with that email, a copy of that email?---No, not that I recall, no.

Right. The – if you just go past that page and you can see pages 10 through to 13. You can see that there are four pages of expense claims that are under a heading Expense Claim Review CEO.---Yes.

Were you provided with those documents?---When, are you asking when?

Oh, on the occasion on 18 February when the letter was discussed.--- Yes.

10 Right. So you were given these four documents?---They were emailed.

I'm sorry?---They were emailed.

They were emailed but they were available at the meeting weren't they?
---Yes, yeah.

Right. And that was the topic of the discussion wasn't it?---Yes.

20 Right. And you can see if you look at pages 10 and 12 that some of the expenses which Mr Lombe had challenged had been repaid.---That's right.

And you understood that at the time?---Yes. Jack explained that at the meeting.

Right. And so you understood then didn't you that it was only the ones – the other ones that were the subject of continuing debate with Mr Lombe and Mr Johnson?---Yeah.

30 And you also understood didn't you that Mr Johnson's truck had in fact been used for the purposes of the GLALC group?---Not prior to that, no.

But you understood that as a result of what was discussed at the meeting?
---That's what we were told, yes.

Yes.---Yeah.

And that was the thing that caused you concern was it?---Yeah.

Now, now - - -?---Because it was the first I'd heard of it.

40 Yes. Now, in relation to you gave some evidence about the – Mr Johnson driving the truck around schools to see whether it fit between the cars down the various roads. You recall that don't you?---Yes.

And that was because there was a proposal to have a dental truck?---That's what I was told, yes.

And I suggest to you that the proposal was to actually get another truck to carry out that function rather than Mr Johnson's truck and that he was doing that because his truck was, was of a similar size just to see whether it fit?
---Well, that wasn't clearly explained at the time then.

All right. So that - - -?---That was not - - -

So you can't say whether that's right or wrong, it just wasn't your understanding at the time?---Definitely not, no.

10

All right. Excuse me, Commissioner. That's all the questions I have. Thank you, Commissioner. Thank you, Mrs Provest.

THE COMMISSIONER: Mr Chee, do you have any questions?

MR CHEE: Commissioner, I have no questions.

THE COMMISSIONER: All right. Anything arising?

20 MR HENRY: No, thank you.

THE COMMISSIONER: No. Thank you Ms Provest, you may step down?---Thank you.

THE WITNESS STOOD DOWN

[2:35pm]

MR HENRY: Commissioner, I call Carol Brown.

30

THE COMMISSIONER: Mr Taylor, have you explained section 38?

MR TAYLOR: Yes, I have and I'll be seeking a declaration on her behalf and I can indicate she'll take an oath on the Bible.

THE COMMISSIONER: Thank you. Just take a seat, Ms Brown. I just need you to appreciate that the order doesn't protect you against the use of your answers against you if it should be found that you've given deliberately false or misleading evidence. Do you understand that?

40

THE WITNESS: Yes, Commissioner.

THE COMMISSIONER: Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by this witness and all documents and things produced by this witness during the course of the witness's evidence at this public inquiry are to be regarded as having been given or produced on objection and there is no need for the

witness to make objection in respect of any particular answer given or document or thing produced.

10 **PURSUANT TO SECTION 38 OF THE INDEPENDENT
COMMISSION AGAINST CORRUPTION ACT, I DECLARE THAT
ALL ANSWERS GIVEN BY THIS WITNESS AND ALL
DOCUMENTS AND THINGS PRODUCED BY THIS WITNESS
DURING THE COURSE OF THE WITNESS'S EVIDENCE AT THIS
PUBLIC INQUIRY ARE TO BE REGARDED AS HAVING BEEN
GIVEN OR PRODUCED ON OBJECTION AND THERE IS NO
NEED FOR THE WITNESS TO MAKE OBJECTION IN RESPECT
OF ANY PARTICULAR ANSWER GIVEN OR DOCUMENT OR
THING PRODUCED**

THE COMMISSIONER: Yes, can we have the witness sworn, please.

MR HENRY: Ms Brown, am I correct in understanding that you became a director of GLALC in 2009?---Yes, that sounds right.

And you remained a director of GLALC until 2014?---Yes.

10 Now prior to becoming a director of GLALC had you been a director of an Aboriginal Land?---No.

And had you ever been a director of a corporation?---No.

Subsequent to becoming a director of GLALC have you become a director of a corporation?---No.

Before becoming a director of GLALC had you had any training with respect to directors duties?---No.

20 Training with respect to conflicts of interest?---No.

Corporate Governance?---No.

Understanding financial accounts?---No. Sorry, may I say I was on the Board, not necessarily as a director of my local son's soccer team when they were kids.

I see?---So - - -

30 And what was your work experience prior to becoming a director of GLALC?---I'm an Aboriginal Community Liaison Officer with the Department of Education.

And for how long have you been in that role?---This is my seventh year.

Right. So you commenced that role at about the same time as you became a director of GLALC. Is that - - -?---Yes. Yes.

40 And what about employment prior to your current position?---I was on a carers pension. My son went through illness.

Right?---And, yeah.

And in the course of your current employment what responsibilities and duties do you have?---I, as a person working for the Department of Education, I go into schools and support Aboriginal students, their families, their school stuff, everyone around. We do professional learning for teachers and staff, things along those lines.

Is that along the lines of a teacher's aide perhaps?---No.

No. All right. Do you in your current role have any responsibility for a budget?---No.

All right. Now, upon becoming a director of GLALC, did you receive any training in relation to that directorship position?---Not immediately.

10 Right. I gather by that answer that there may have been some training at some point. Is that accurate or not?---No.

So you've never had any training since becoming - - - ?---Oh, sorry. I thought you said as I became a board member. I thought you meant from that commencement date. It was probably six months later we attended training.

20 Right. And what did that training involve?---Board governance. Basic monetary figures. Reading an in-and-out - - -

What were you told about board governance that you can recall?---Our duties as board members and how they worked.

Right. And can you be any more specific? What duties did you get told about? What were you told you had to do?---I had to assist the other board members in helping govern Gandangara.

30 Were you told anything along the lines that, as a director of GLALC, you had to make decisions in the best interests of GLALC?---Yes.

And that decision-making on behalf of GLALC should not be favourable to any person other than GLALC itself.---Yes.

How long did this training that you attended go for?---Two days in Wollongong.

I see.---Just Saturday and - - -

40 Two days in Wollongong. And was this conducted by Mr Mero?---Yes.

Right. And you became a director in 2009, and I gather that this happened about six months later. Is that right?---Yes.

Was that the only training that you ever received after you became a director of GLALC?---Yes, but I attended training three times.

Oh, O.K. And when were the other two occasions?---I couldn't tell you the dates, but probably six months or 12 months after the first time.

Right.---And then again.

And was it essentially the same training each time?---Yes, but more in-depth and helping us understand our roles as well.

Right. Were you told in the course of the training, or were you instructed, about understanding financial accounts?---The basic financial accounts.

10 Right. Can you be a bit more specific about what you were told or not?
---A sheet of ins and outs.

Ah hmm?---Balances, deficits. Just basic - - -

All right.--- - - - accounting skills I would call them.

THE COMMISSIONER: Were you using a kind of a mock-up account? Or were you using for that purpose an actual statement of account from GLALC?---I think we had done it both ways at different times.

20

Right.

MR HENRY: Were you instructed anything about conflicts of interest?
---Yes.

What can you recall about that that you were told?---Just the basic again.

Yes? Can you recall what you were told or the substance of it, I mean?
---No.

30

All right. Were you told anything – I'm sorry, I'll withdraw that. And this training, am I right in understanding, it was provided by GLALC, not by New South Wales Aboriginal Land Council?---Yes.

Do you know who organised it?---Jack Johnson.

Right. I gather you've never received any training from New South Wales Aboriginal Land Council. Is that right?---Not that I'm aware of.

40 Right. In the course of your training were you given any instruction about the Aboriginal Land Rights Act?---Yes, we touched on it and when I joined the Board I received a copy of the Land Rights Act which I still have at home.

I see. So you were provided with a copy of the Act itself?---The book, yeah.

Yeah. Have you ever read it?---Yeah.

I see. Did you understand that under that Act as a director you're obliged with the other directors to appoint a Chief Executive Officer of GLALC?
---Yes.

Did you – what did you understand the Chief Executive Officer's role to be?---The everyday running of the GLALC to make sure that it keeps going well.

10 Did you understand that the Chief Executive Officer was to report to the Board?---Yes.

Did you have any understanding about what functions the Board could delegate to the Chief Executive Officer?---Yes.

What did you understand could be delegated by the Board to the Chief Executive Officer?---The running of those – every aspect of the Land Council and continuity and to never be insolvent.

20 Sorry, you understood the Board could delegate to the Chief Executive Officer an obligation that GLALC could never become insolvent?---No, that he would report to us so that we would always be aware of our situation.

And by that you mean your financial – the Council's financial predicament. Is that what you're saying?---Yes.

All right. I'll show you a copy of certain sections of the Aboriginal Land Rights Act. The first section to which I'm referring you is section 78B of the Aboriginal Land Rights Act. Have you read this section before?---Yes.
30 When I first got the Land Rights Act book I read it from cover to cover and I found it very complex.

All right. In relation to this specific provision, section 78B, you'll see at subsection (i) it says, "The following persons must not be or continue to be employed as the Chief Executive Officer of a Local Aboriginal Land Council." Do you see those words?---(No Audible Reply)

Mrs Brown, do you see those words?---Sorry, could you repeat that question. Is it on the first page?
40

Yes, on the first page. You'll see at about a third of the way down the page it says section – it says 78B in bold typescript, "Certain persons must not be employed as Chief Executive Officers." Do you see that on the page?---Not in the words you're presenting to me.

Right. If you look at the page there's a horizontal line about a third the way down the page. Can you see that horizontal line right across the page?---
Would that be through (d)

I'm sorry?---There's a line through (d).

No, no. If you look please at about a third the way from the top there's a horizontal line across the page. That's it.---Yeah.

And immediately below that line - - -?---78B.

10 Yes. Just if you have a look at the bold typescript immediately under the line it says in capital – sorry, it says, “78B” and then it says, “Certain persons must not be employed as Chief Executive Officers.” Can you see those words?---Yes.

Immediately below that there's a (i) in parentheses and it says, “The following persons must not be or continue to be employed as the Chief Executive Officer of a Local Aboriginal Land Council.” Do you see those words?---Was that under (a), (b) or (c)?

20 THE COMMISSIONER: No.

MR HENRY: It's above (a).

THE COMMISSIONER: It's above (a).---Oh, sorry. Yes.

Immediately below the heading.---Yeah, sorry.

30 MR HENRY: That's all right. So above A it says the following persons must not be or continue to be employed as a Teacher Executive Officer of a Local Aboriginal Land Council. Are you with me?---Yes.

If I could ask you then to go down to sub-paragraph (e), it says a person who has an interest in or is an employee of or concerned in the management of a corporation that receives a benefit from the council. Can you see those words at sub-paragraph (e)?---Yes.

40 Now I suggest to you that section 78 (B) sub-section (1e) is to this effect. That a person who meets the description in sub-paragraph (e) cannot be or continue to be employed as the CEO of a Local Aboriginal Land Council. Do you understand that?---Yes.

All right. Now did you understand that at the time at which you were a director of GLALC?---I don't recall.

Right. I'll perhaps try to make it a little bit more concrete for you. If you look at sub-paragraph (e) it refers to, among other things, a person who has an interest in a corporation. Do you see those words?---Yes.

Are you – were you familiar with a corporation called Waawidji Pty Limited whilst you were a director of GLALC?---Yes.

And I'll refer to that as Waawidji in my questioning. Do you understand?
---Yes.

All right. Now did you understand that at the time at which you were a director of GLALC that Mr Johnson owned or part owned Waawidji?---Yes.

10 Did you understand that Mr Johnson was an employee of Waawidji?---Yes.

Did you understand that Mr Johnson was concerned in the management of Waawidji?---Yes.

As far as you understood things was Waawidji essentially Mr Johnson's company?---Yes.

All right. Now whilst you were a director of GLALC did you understand that if Waawidji received a benefit from GLALC, Mr Johnson could not
20 continue to be employed as the Chief Executive Officer of GLALC?
---Could you rephrase that?

Sure. Whilst you were a director of GLALC did you understand that Mr Johnson could not be the Chief Executive Officer of GLALC if Waawidji received a benefit from GLALC?---No.

So you didn't understand that? As far as – you're nodding, if you could perhaps just answer because of the transcript?---Sorry.

I said you didn't understand that, I gather you're agreeing with me?---Yes.
30

All right. Was it your understanding whilst you were a director of GLALC that Mr Johnson could be the Chief Executive Officer of GLALC and at that same time GLALC could provide benefits to Waawidji?---Yes.

All right. And am I to understand from your answers that you were never told at your instruction sessions or training sessions to which you've referred in Wollongong that Mr Johnson could not remain as Chief Executive Officer of GLALC if his company, Waawidji received benefits from GLALC. Is that right?---Not to my recollection.
40

Right. I gather that was never said to you at any time by any person whilst you were director of GLALC. Is that right?---I can't recall.

You don't recall it being said?---No.

If you could turn please, madam, to the last page of the document. You'll see section 152 of the Local Aboriginal, I'm sorry, of the Aboriginal Land Rights Act. Do you have that there?---Yes.

All right. Subsection 1 says, "Each local Aboriginal Land Council is to establish, in an authorised deposit-taking institution, an account called the Local Aboriginal Land Councils' Account." Can you see those words?---Yes.

And if you skip down to subsection 3, it says, "The following is to be paid from the Local Aboriginal Land Councils' Account." Can you see those words?---Yes.

10

And then it says, "A, amounts required for the acquisition of land by the council, where that acquisition has been approved in accordance with this Act." Do you see those words?---Yes.

Subparagraph B, "Amounts required to meet expenditure incurred by the council in the execution or administration of this Act." Can you see those words?---Yes.

20

And then subparagraph C, "Any other payments authorised by or under this or any other Act." Do you see those words?---Yes.

Now, were you ever told, when you were a director of GLALC, that money paid from GLALC's bank account could only be paid for the three purposes identified at A, B and C in subsection 3 there?---I don't remember.

Do you remember ever being told that there was any restriction on the purposes for which money could be paid by GLALC out of its bank account?---Could you ask me that again, please?

30

Sure. Whilst you were a director at GLALC, were you ever told by anyone that the purposes for which GLALC's money could be paid out of its bank account were restricted in any way?---No.

Was it your understanding that GLALC could just do whatever it wanted with the money in its bank account?---No.

What was your understanding as to what GLALC could spend the money in its bank account on?---The running and continuousness of GLALC.

40

I see. But not necessarily confined to the purposes identified in A, B and C in subsection 3, to which I've taken you?---Sorry I'm taking time. I'm still getting it from what you said to me.

That's all right.---If you could repeat it again.

If a question is unclear, please tell me. Don't answer.---Okay. I feel that question was unclear.

Thank you. My question for you is - your most recent answer, as I understand it, is that GLALC could spend its money out of its bank account for the benefit of GLALC, in substance.---Yes.

And I assume by that you mean the benefit of its members?---Hundred per cent.

10 Right. And what I'm putting to you is you understood that GLALC could spend its money for the benefit of its members, but in doing so it wasn't necessarily confined, as you understood it, to spending its money for the three purposes identified in subsection 3?---They would be a part of.

I see. All right. You can hand back that (not transcribable), thank you. Now, do you prefer to be addressed as Ms Brown or Mrs Brown?---Ms.

Ms Brown. All right. Ms Brown, I'd ask you to be shown, please, volume 8 of Exhibit G1, at page 245. You should have in front of you minutes of a GLALC board meeting of May 2010. Is that what you have? If it assists, the pagination is in the bottom right-hand corner.---Oh, sorry, yes. Yes.

20

Have you got that?---Yes.

It's on the screen but there's also a hard copy of you prefer to use that.---No, I'm happy.

You will see at the top of the page under the heading Attendance you're one of the people who is recorded as being an attendee. Do you see that?---Yes.

30 And I want to ask you before I come to the detail of this particular meeting some general questions about the procedure adopted at GLALC Board meetings. As you recall things, were you ordinarily provided with Board papers prior to a Board meeting?---No.

Is your recollection that the way in which you were provided with any Board papers was upon arrival in a folder at the offices of GLALC?---Yes.

40 And can you doing the best you can, and I know it's generally speaking, identify what was in the folders at the office when you came to collect them?---They were on the desk in front of us ready to go. They had things that might be to do with on that night and they were the agenda.

Yes.---And the previous minutes.

Yes. Was that usually all that was in the folder?---Yes.

All right. There weren't usually any reports - there wasn't usually any reports in the folder?---From pervious things, yes.

When you say from previous things, what are you referring to?---Whatever we were presented with would have been kept in the folder.

Well, if you just by way of example look at page 245 again in the minutes there. I'll just refer you briefly to motion 3. Do you see motion 3?---Yes.

That refers to a report, a Chair's report. Do you see that reference?---Yes.

10 And then underneath it motion 4. There's a report as presented by the Finance Manager. Do you see that report?---Yes.

And then – I won't take you to each of them but motions 5, 6, 7, 8, 9, 10 and 11 all refer to reports.---Yes.

Now, in the folder were there – would there have been all these reports or not?---To my knowledge, yes.

So the folder would have some nine reports in it do you think?---Yes.

20 And how long did you have usually between when you arrived and received your folder and the meeting started?---Half an hour.

All right. And would you have read all these reports by the commencement of the meeting?---The reports weren't – when you said the reports in there the way you worded it it's different. I'm talking they'd come up on the screen during the meeting. The reports weren't there before the meeting.

30 I see. Sorry. What I was trying to understand is whether in the folder that you were provided with upon arrival at GLALC's offices whether there were written reports in that folder in addition to the agenda and the, the minutes from the last meeting?---Yes.

There were?---Yes.

THE COMMISSIONER: So there was a finance report and there was a report from the health services, et cetera, et cetera, they were all in hard copy were they?---Paper, yeah. After they'd do the presentation on the screen, the PowerPoint.

40 Yes, but you keep saying after they did the presentation. What we're asking is - - -?---Oh.

- - - were they in the report – were those hard copy reports in the folder before the Board meeting?---From the previous Board meeting?

No, no, no, no. If you were attending this meeting for example, the one that we're referring to where there was a report from the finance manager and a number of other reports, when you got to the office there was the folder, the

folder had an agenda and the minutes from the previous meeting. Did the folder also contain the reports that you were going to see later on in the meeting?---No.

So they weren't there?---No.

No.

10 MR HENRY: In terms of the procedure adopted at the meeting you'll see in the minutes there's references to motions, motions 1, motion 2, motion 3, et cetera. Do you see those references?---Yes.

And with each motion there's a statement in the form usually of a resolution. Do you agree?---Yes.

And then it will have a person identified as the person who moved the motion. Do you see that?---Yes.

20 And when a person who seconded the motion. Do you see that?---Yes.

And then underneath that it says "Carried." Do you see that word?---Yes.

Now can you tell me if this is an accurate reflection of the way in which the meetings proceeded? Prior to the meeting you had the agenda but you didn't have the resolutions that were proposed for each motion. Is that right?---Yes.

30 During the meeting do you recall Mr Johnson being present ordinarily at Board meetings?---Yes.

And he was on a computer?---Yes.

And he would type a proposed resolution into his computer and that would appear on a screen on the wall?---Yes.

Now correct me if I'm wrong, but what he would type and would be up on the screen on the wall would be for example, motion 1, if you look at page 245, please?---Yep.

40 It says, "The Board moves that the minutes of the meeting held on 29 March, 2010 are accepted." Do you see that resolution?---Yes.

Are they the words that would appear up on the screen?---Yes.

And I gather – or correct me if I'm wrong, is it Mr Johnson who would draft those words?---Yes.

Did anyone ever say those words are wrong, use some other words?---Yes.

All right. Was that a routine thing or was it unusual?---Now and again.

Now and again. All right. So the words are up on the screen and then does the chairperson who was Ms Cronan at this point in time, does she say, does she move this? Or what happened after the words up on the screen?---We'd have a conversation about it.

10 Right?---We all had input into it and then Ms Cronan would say for or again, like, yes. It would be as the chairperson, yes she would move the, put it to the Board to move the motion.

So you say she would move the motion?---No, she would put it to the Board as the chairperson - - -

Yes?--- - - - in the running of that meeting we would have the discussion, it would be put to us, we would have a discussion and she would say do we have any movers.

20 And then some, say for example by reference to page 245 again, the first motion says it was moved by Shane Luke. Can you see that?---Yes.

Is what you're saying at that – after Ms Cronan had, after there'd been discussion Ms Cronan would say someone move it and Shane Luke in this particular instance would say I move it. Is that - - -?---Yes.

Okay. And then someone would second it?---Yes.

And then what happened?---It'd tabled in the minutes.

30 Was there ever a vote?---To me the discussion around it was the vote, before we moved it. Before it was moved.

So is the answer to my question there was no vote?---No.

Are you agreeing with me?---No, I'm disagreeing with you. There was a vote.

40 Right. So how did one determine who voted for and against the motion? ---By all the board members sitting in the room, having a conversation.

THE COMMISSIONER: Perhaps we're talking at cross-purposes. You see, there's nothing there that indicates, for example, five votes in favour and four against. So there's no recording of any division of opinion. That's what we mean by putting it to the vote.---Yeah.

So there was a discussion?---Yeah.

And people would voice their concerns during the discussion, is that right?

---Yes.

But then essentially the motion would be put, moved and seconded, and then that would be it?---To the larger majority.

And who gauged whether or not there was a majority?---All of us, if that makes sense.

10 MR HENRY: Well, how would you know if there was a majority?---So there was 10 board members - - -

Yes?--- - - -and eight equals a majority to me.

Yes, but how would you know through the course of the discussion whether a person, ultimately, at the end of the discussion, was saying, “Yes, I’m in favour of it” or “No, I’m not in favour of it”? How would you - - - ?---Raise our hands.

20 So is that what happened?---Yes.

People raised their hands. So did Ms Cronan, at the end of the discussion, say, “All right, we’ve got a mover. We’ve got a seconder. Raise your hand if you’re in favour of it,” and people raised their hand?---Yes.

And then “Raise your hand if you’re against it,” and people raised their hand?---Yes, if they were against it.

30 All right. So there was essentially a show of hands, was there?---Equivalent. If not exactly show of hands, the equivalent.

I see. Was there ever a situation where there was an equal number of people for and people against? Directors, I should say, for and directors against the particular motion?---Not that I recall.

You’ll see that at motion number 1 – actually, sorry, before I come to that, if you look through the motions in this particular set of minutes in May 2010, each of the motions is carried. Do you see that?---Yes.

40 Can you ever recall a motion not being carried at a meeting?---Not that I recollect.

So as far as you can recall during your time on the board, every motion that was put was carried?---Yes.

Right.---But that’s not set in stone. To the best of my recollection.

Yes, I understand.---Yes.

I understand. All right. If you have regard, please, to motion number 1, you'll see the board moves that the minutes of the meeting held on 29 March, 2010 are accepted. Now, that form of motion, that is, approving minutes of the previous board meeting, was ordinarily put, I rather understand it, each board meeting. Is that right?---Yes.

Did you, before that motion was put, ordinarily read the minutes of the preceding board meeting?---Yes.

10 Did you ever suggest any amendments to those minutes?---No.

Do you recall anyone else ever suggesting any amendments to any minutes of a board meeting?---Could have been one or two occasions, maybe. But I don't recollect, at this point, the in-depthness of it.

All right. Now, focusing, if you would, please, on motion 2, Ms Brown. It says the board resolves to accept the new CEO contracts as tabled. I'll show you volume 11 and two contracts in that volume. The first starts at page 96. I'm sorry, volume 8 needs to stay where it was and open at page 245, if
20 that's not too much trouble. So you should have in front of you, Ms Brown, an agreement between Mark Julius Johnson and GLALC. Is that what you have?---Yes.

Now, just pausing there and returning to the motion number 2 in the other folder at volume 8, page 245. You see that it says, "The Board resolved to accept the new CEO contracts as tabled." Do you see those words?---Yes.

What I want you to do please is look at pages 96 through to 110 of volume
30 11 which is this contract between Mr Johnson and GLALC and look at it with a view to answering the question was that document tabled at the May, 2010 Board meeting. Can you do that please?---Yes. I've read it.

Right. When you say you've read it, I rather - - -?---Sorry, I forgot your question.

Okay. I rather understand you were looking at the screen. Is that right?
---Yes.

All right. Perhaps if you go to the hard copy of volume 11 and look for
40 page 96 in the bottom right-hand corner.---Yeah.

Have you got page 96?---Yes.

Now, page 96 should look the same - - -?---The same.

- - - as what's on the screen- - -Yes.

That's the first page of a contract - - -?---Yes.

- - - between Mr Johnson and GLALC. That contract goes from page 96 through to page 110. Do you understand?---Yes.

All right. Now, what I'm asking you is if you have a look at those pages 96 through 110 are you able to say whether or not that document pages 96-110 was tabled at the May, 2010 Board meeting?---I can't recollect.

10 All right. I'll ask you then to go to page 112 in volume 11 and with a view to answering the same question but this time by reference to the contract – do you see page 112, have you got page 112 there?---Yes.

That's a contract between Waawidji and Gandangara Management Services or GMS. Is that what you see?---Yes.

20 Now, that contract goes from page 112 through to page 128. So I'd ask you please to have a look at those pages and answer the question whether you recall that document being put before the Board at the Board meeting in May, 2010?---I can't recollect.

All right. If you go back to page 245 of volume 8 please where the minutes are. Do you see it says, "The Board resolves to accept the new CEO contracts as tabled." Do you see those words?---Yes.

Is your position that as best you recall you can't say one way or the other whether the two contracts to which I've taken you were tabled at the meeting. Is that right?---Yes.

30 All right. Do you recall ever an employment contract for Mr Johnson being tabled at a Board meeting?---I don't recollect.

Do you recall any contract to which Waawidji was a party or a proposed party being put before the Board at a Board meeting?---I really don't recollect.

All right. In relation to motion 2 on page 245 can you recall whether you voted in favour of that motion?---I don't recollect.

40 Do you recall – if you look at the, the list of people who were recorded as under the heading Attendants - - -?---Yep.

- - - at the top of the page, they're the people, the directors who attended the meeting. Do you agree?---Yes.

Are you able to say whether any of those persons voted in favour of the motion, motion 2?---I would imagine so.

Well I'm not asking you to speculate?---Yes.

I'm not asking you speculate that, can you actually remember who if any one of those people voted the motion?---No.

Are you able to recall anyone voting against the motion?---No.

All right. Have you still got volume 11 there - - - ---Yes.

10 - - - Ms Brown? If you could turn please to page 131 you should see a printout of a PowerPoint presentation or the first slide of a PowerPoint presentation. Do you have that?---Yes.

And it says, "See as current based salary package of \$148,951". Is that what you're looking at?---Yes.

If you look at pages 131 through to 134 you should see a sequence of copies of slides?---Yes.

20 Do you recall a slide presentation being made at the May 2010 Board meeting involving these slides?---Yes.

Who made that presentation?---Jack.

Right. Do you recall what he said when making the presentation?---No.

You'll see on page 133 the slide says, "CEO's Proposed Salary Effective 1 May, 2010, \$180,000". Do you see that?---Yes.

30 At that time, that is May 2010, did you consider that to be a large amount of money to be paying Mr Johnson for his work as CEO of GLALC?---No.

Right. And, well, did you think it was a small amount of money for him to be paid?---I thought it was a good amount of money for him to be paid.

Right. And why was that?---He was doing great work for our community as the CEO of Gandangara.

40 Right. Did you have any basis for comparison for the \$180,000?---We looked at comparisons for other people in the same positions that were paid a hell of a lot more.

Right. Now, when you say we looked at that, what happened? Was a presentation made to the board about that?---I can't recall, but it was a definite conversation.

Right. And who said what in this conversation, as best you can recall? ---The whole board agreed.

THE COMMISSIONER: Yes, but who was it that gave the information about the comparable salaries for people doing similar kind of work?
---I forget exactly who it was.

MR HENRY: Did you yourself undertake any research as to what a person doing Mr Johnson's job ought to be paid?---Not independently.

All right. Well, are you saying that you relied on someone else's research?
---Yes.

10

Whose?---One or more of the board members.

Right. Did Ms Cronan make a presentation to the board about comparable remuneration packages at that board meeting?---I can't recall.

Right. You say that it was your view that \$180,000 was essentially a good amount for Mr Johnson to be paid for his work as the CEO of GLALC. That's right, yes?---Yes.

20

Were you at the time, in May 2010, aware of what other CEOs of Local Aboriginal Land Councils were paid?---Vaguely.

Right. And what was your information about that, that you knew?---To my knowledge they were paid more.

Sorry, they were paid more?---Yeah.

30

Right. Are you able to give any name of a person who was a CEO of a Local Aboriginal Land Council in May 2010 who was paid more than \$180,000 per annum at that point in time?---No.

Are you able to identify any Local Aboriginal Land Council at that point in time that paid its chief executive officer more than \$180,000 per annum?
---Not from recollection.

All right. If you turn, please, to page 134, you'll see that's titled CEO's Proposed Contract, effective 1 May 2010. Can you see that at the top of the page?---Yes.

40

Do you recall this slide being put up at the board meeting in May 2010?
---So long ago. No.

All right. You see in the second dot point it says, "Term of contract, five years plus five-year option." Can you see that reference?---Yes.

Do you recall any discussion about this five-year option that's referred to in connection with Mr Johnson's remuneration or employment agreement?
---Vaguely.

All right. What can you recall about that?---Whether the board and the quorum were happy with Mr Johnson's performance.

Yes.---Or if he was no longer wanting to be the CEO there so it was a two-way.

10 Well, did you understand the reference to a five year option was an option granted to Mr Johnson so that he could choose if he wanted to exercise the option and remain employed as the GLALC CEO at the end of his initial five year term under the proposed new contract?---Yes, but I thought it was a two-way option.

I see. So you thought that what, the Council had the opportunity to exercise the option if it saw fit as well?---Yes.

All right. And where did that understanding come from, something someone told you?---Through conversation within Board meetings.

20 Not from reading the contract, from – I withdraw that.---No.

Not from reading the contract as between Mr Johnson and GLALC. Is that right?---Yes.

Did you ever read the employment contract between Mr Johnson and GLALC?---Not that I recall.

30 Did you ever read any contract to which Waawidji was a party?---Not that I recall.

All right. If you look please at page 134 the final dot point. It says, "Jack remains an employee of GLALC and contract employee of GMS." Can you see those words?---Yes.

Do you recall any discussion in May, 2010 at the Board meeting as to why – concerning Mr Johnson having two contracts rather than one in connection with his employment?---I remember a vague conversation but I don't remember the exact - - -

40 What can you remember?--- - - - conversation. Well, it was a part of the setting up of corporations and being a GLALC at the same time.

I'm sorry?---To me it was the same contract in two places.

When you say it was the same contract in two places, I've shown you the two contracts that came about as a consequence of the May, 2010 Board meeting. Do you recall?---Is that the page in front of me on 134?

No. No, I showed you two contracts, one between Mr Johnson and GLALC and another between Waawidji and GMS. Do you recall me showing you those perhaps 10 minutes ago?---Yes.

And I asked you whether those contracts were the ones – excuse me – that were tabled at the May, 2010 Board meeting. Do you remember that?
---Yes.

10 Now, those two contracts were the contracts that were signed after the May, 2010 Board meeting. Do you understand?---Yes.

Now, as you understood things in May, 2010 why were there two contracts rather than one contract in connection with Mr Johnson’s employment with GLALC?---Could you rephrase that?

Yes. Why were there two contracts rather than one contract in connection with Mr Johnson’s employment with GLALC?---I don't know.

20 You have said that as you understood things \$180,000 was a good amount to pay Mr Johnson for his work. Correct?---Yes.

And by that you mean do you not that \$180,000 was a good amount for Mr Johnson to be paid for being CEO of GLALC. Correct?---Yes.

Now you can’t explain can you why he was paid part of that \$180,000 by GLALC and part of it was paid to Waawidji by GMS. Is that right?---No.

And can you think of any - - -

30 THE COMMISSIONER: So do you mean that that is right or it’s not right?---Well I had to think back to the beginning of that question to fathom it again. And in my mind no was the right answer.

The, the upshot is this isn’t it, you thought that \$180,000 a year was a fair price for Mr Johnson’s services?---Yes.

And Mr Johnson’s services that you thought were valuable were the services he provided as CEO to GLALC. Is that right?---Yes. Yes.

40 So the question is why wasn’t there just a contract between GLALC and Mr Johnson that had in it a term that said you shall be paid 180,000? Why wasn’t there just the one contract? Do you know why? Was it explained to you why there was more than one contract?---Possibly, but I don’t remember.

And if it was explained to you who would have been in a position to explain it? Because I’m not, I mean I’m not being, I’m not being critical but, but if

you could explain it, who was, who was explaining it to the Board why there needed to be these two contracts?---Ms Cronan probably.

Ms Cronan. So a little while ago you said that this slide presentation was by Mr Johnson. So was he assisted in the slide presentation by Ms Cronan was he?---As the chairperson, she assists in most things.

Yes, but on this particular occasion do you remember her contributing to the discussion about the need for these contracts?---I can't recall.

10

MR HENRY: Have you still got volume 11 there Ms Brown or not?---Yes.

Could you please go back to page 112? Have you got page 112?---Yes.

So this is the second of the two contracts to which I took you earlier. Do you recall?---Yes.

Now you'll see it's a contract between Waawidji and GMS. Can you see that?---Yes.

20

And then under the heading "Employment" at paragraph 1.1 it says, "the service contract provider hereby contracts the services of Waawidji to provide the services of Mark Jack Johnson to act as the Chief Executive Officer of GMS". Do you see that?---Yes.

So this contract was a contract for Mr Johnson to act as CEO of GMS. Do you understand that?---Yes.

30

Now if you go please to page 124 you'll see the schedule for the contract which identifies remuneration and you'll see it says in part 7, "annual remuneration salary \$100,000 and with superannuation that's \$109,000". Do you see that?---Yes.

Now with that in mind, that is – I'll withdraw that. Are you able to provide any explanation as to why GMS entered into a contract to pay Waawidji \$109,000 in May 2010?---No.

40

If you go back to page 96 do you see the first page of the first contract which I took you, which is a contract between Mr Johnson and GLALC. Is that what you have?---Yes.

This contract is a contract for Mr Johnson to be employed as CEO of GLALC. Do you understand that?---Yes.

If you go to page 108, you'll see the schedule to this contract. And in part 7 of the schedule there's annual remuneration, a salary of \$80,000. Can you see that on the page?---Yes.

And then there's superannuation of \$7,200, making a total of \$87,200. Can you see that?---Yes.

Now, these contracts both commenced on the 1 May, 2010, at about the same time as the board meeting I've been asking you about. Do you understand that?---Yes.

And between the two contracts, the salary excluding superannuation is \$180,000. Do you agree?---Is that on page - - -

10

Well, it's the \$80,000 on page 108.---Yeah.

Combined with the \$100,000 on page 124.---Yes.

Now, that \$180,000 is the same figure as you say was a good amount for Mr Johnson to be paid for his employment as CEO of GLALC, correct?---Yes.

Why was 100 of that \$180,000 payable to Waawidji?---I don't know.

20

Do you say you did or didn't vote in favour of the employment contracts referred to in motion 2 at the May 2010 board meeting?---Could you rephrase that, sorry?

Do you say that you did or did not vote in favour of motion 2 at the board meeting in May 2010?---I think I said I didn't recall.

30

Right. Was it your understanding, nonetheless, at that point in time, that agreement – I'll withdraw that, that acceptance of the contracts referred to in motion 2 was approval of employment arrangements for Mr Johnson as chief executive officer of GLALC and pursuant to which Waawidji would receive benefits?---Sorry, could you ask me the question again?

Is it your understanding, in May 2010, that if you agreed to the proposed employment contracts to which I've taken you, that you were agreeing to Mr Johnson being retained as CEO of GLALC and, at the same time, Waawidji receiving benefits?---No. I don't recall.

You don't recall. All right.

40

THE COMMISSIONER: You don't recall whether you understood it at the time?---Yeah.

MR HENRY: Did you turn your mind to it?---Beg your pardon?

Did you turn your mind to whether Waawidji was receiving any benefits as a consequence of Mr Johnson's contracts for employment with GLALC? ---Sorry, I don't recall.

All right. Did you turn your mind at all to whether Waawidji would receive benefits from GLALC whilst he was – whilst Mr Johnson was the CEO of GLALC?---Yes. No.

You did?---Can you ask me the question again. Sorry.

10 Yeah. Did you turn your mind in May, 2010 at the time at which these contracts were put before the Board according to the minutes, did you turn your mind to whether whilst Mr Johnson was CEO of GLALC, Waawidji would be receiving any benefits?---No.

All right. Could I ask you please to be shown volume 10 at page 121 and the other volumes I'm sorry, can be taken back now if that helps. So you should have in front of you now minutes of the Board meeting of GLALC and other companies in the Gandangara group dated 10 December, 2012. Is that what you're looking at?---Yes.

20 You'll see you're identified as being an attendee at the meeting at the top of the page.---Yes.

Could I ask you please to turn to page 122. At the top of the page you'll see motion 4, "The Board resolves the contract between GMS Limited and Waawidji be terminated by mutual consent retrospectively on 30 June, 2012." Can you see that?---Yes.

Now, that contract between GMS and Waawidji is the contract to which I have just taken you. Do you understand that?---Yes.

30 All right. Now, do you recall being at a Board meeting in about December, 2012 at which termination of the contract between GMS and Waawidji was an issue?---Could you ask me the question again please.

Yes. Have you had an opportunity now to read motion 4?---Yes.

All right. Do you recall the meeting at which motion 4 was put to the meeting?---Yes.

40 You can. All right. Now, you recall then presumably that motion 4 concerned the replacement of the contract which I've shown you between GMS and Waawidji with three other contracts. Do you recall that?---Yes.

Having a look at motion 4 the first contract that's referred to is a contract between GMS and Waawidji. Do you see that?---Yes.

Now, I've shown you that contract here today. Have you – had you read that contract – I withdraw that. Had you seen that contract before today? ---Not that I can recall.

Can you recall whether it was put before the Board at the Board meeting in December, 2012?---I don't recall.

All right. And then you see in motion 4 three other contracts are referred to, one between Waawidji and Marumali. One between Waawidji and GHS. And one between Waawidji and GTS. Can you see that?---Yes.

10 Were any of those contracts put before the Board in December, 2012?---I don't recall.

Can you recall any contract between Waawidji and any other entity ever being put before the Board during your time as a director at GLALC?---I don't recall.

All right. The resolution recorded in motion 4 says, "the Board resolves the contract between GMS and Waawidji be terminated by mutual consent". Are you able to explain why the contract was terminated at that time?---No.

20 Were you a director of GMS whilst you were a director of GLALC?---Yes.

As far as you were concerned did you consider yourself as agreeing to the termination of a contract on behalf of GMS?---I don't recall.

Did you, did you vote in favour of motion 4 in December, 2012?---I can't say yes or no. I can't recall it.

You said before you recall a motion being put to the Board?---Yes.

30 Right. Have a look if you would at page 121 and the people who attended that meeting. Are you able to say who of those people voted in favour of motion 4?---I can't recall.

THE COMMISSIONER: Are you able to say that you didn't say vote against it?---(No Audible Reply).

40 Well you either voted for it or you voted against it or you abstained. Can you say that you didn't vote against it or do you simply not remember what you did one way or the other?---At this point I don't remember what I did one way or another. But I, yeah.

MR HENRY: Can you recall anyone voting against any director at the meeting voting against motion 4?---I can't remember.

All right. If you look at motion 4 it refers to the termination by mutual consent of the contract between GMS and Waawidji and then it says retrospectively on 30 June, 2012. Can you see that?---Is that on page 121?

122. It says, "The Board resolves the contract between GMS and Waawidji be terminated by mutual consent retrospectively on 30 June, 2012. Can you see those words?---Yes.

Are you able to explain why termination of the GMS/Waawidji contract was retrospective?---No.

10 It goes on to say in motion 4, "And immediately replaced by contracts commencing 1 July, 2012 between Waawidji and the three entities referred to at i) ii) and iii). Can you see that?---Yes.

Are you able to explain why one contract between GMS and Waawidji was replaced with the three contracts referred to in motion 4?---No.

Do you have any idea what the purpose of motion 4 was?---No.

Did you – are you able to say whether at the time of the Board meeting you understood what motion 4 proposed to achieve?---No.

20 Well, did you – if you – did you understand what the words meant as far as you were concerned in motion 4 at the time of the meeting?---Could you ask that question again.

Yes. You've said you recall motion 4 being put to the meeting.---Yeah.

You remember that?---It's that long ago I don't remember exactly everything when I look at this.

30 Yes.---I have a vague recollection but on reading it it's obviously been put to us so - - -

If you didn't understand something that was put to you at a Board meeting did you say I don't understand that?---Yes.

Right. In relation to motion 4 can you recall whether or not you said you didn't understand what motion 4 meant?---No.

40 Are you able to provide any explanation as to why Marumali would enter into a contract with Waawidji in December, 2012?---I can't recall.

Were you a director of Marumali at the time?---Yes.

Were a director of GHS at the time?---Yes.

Can you explain why GHS would enter a contract with Waawidji pursuant to which it would pay Waawidji almost \$48,000 per annum in December, 2012?---No.

What about GTS, were you a director of that company at the time?---Yes.

Can you explain it was in GTS's interests to enter into a contract with Waawidji in December, 2012 pursuant to which it would pay Waawidji almost \$48,000 per annum?---No.

10 Was it your understanding at the time of this Board meeting that agreeing to the proposed resolution in motion 4 involved you agreeing to an employment arrangement with Mr Johnson with GLALC pursuant to which Waawidji would receive benefits?---I can't recall.

Is that a convenient time?

20 THE COMMISSIONER: Yes, it is. Ms Brown, must before we finish, it would have been apparent would it not that what motion 4 did at the very least was it increased the remuneration that Mr Johnson formally received under the GMS and Waawidji contract from 100,000 to 143-odd thousand under this arrangement, that would have been apparent would it not?---As the CEO of Gandangara.

Well I'm just going back to what you said earlier about the, the earlier remuneration package arrangement which was that Mr Johnson received 80,000 under a contract with GLALC, but his company received 100,000 under a contract with GMS. You remember that don't you?---I thought it all went together.

30 Well I thought you agreed a short time ago that because you consider that 180,000 was a fair salary, but the way in which that was divided up in effect was that 80,000 was paid to Mr Johnson under a contract with GLALC and 100,000 was paid effectively to Mr Johnson through a contract between GMS and Waawidji. Do you remember that?---I didn't remember the whole breakdown of the contract.

Whether you remembered the breakdown or not your understanding was he was going to be paid 180,000?---Yes.

40 Right. When you look at motion 4 you can see that what's replacing the contract between GMS and Waawidji is three contracts between Waawidji and those entities, each of those entities and each one pays \$47,871 to Waawidji. Do you see that?---Yes.

If you add up those three amounts you get to \$143 odd thousand. Do you understand that?---Yes.

So at the very least what motion 4 does is it increases what was remuneration between GMS and Waawidji of \$100,000 up to 143. Do you understand that?---Yes.

Did you understand that at the time? At the time of this meeting?---No.

All right. We might leave it there for today and resume tomorrow at 10.00am. Thank you.

THE WITNESS STOOD DOWN **[4.02pm]**

10 **AT 4.02PM THE MATTER WAS ADJOURNED ACCORDINGLY**
[4.02pm]