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INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE MEGAN LATHAM

PUBLIC HEARING

OPERATION GREER

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TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON THURSDAY 12 MAY 2016

AT 10.10AM

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

THE COMMISSIONER: Yes, good morning. Just before we start, I'm just wondering whether or not, given the number of witnesses on the witness list, that we might be a little bit realistic about, perhaps, letting at least the last two go over till tomorrow rather than have them sit around all day. I'm in your hands, Mr Henry.

MR HENRY: Yes, no, I agree with you, Commissioner. There is a slight wrinkle in this regard.

10 THE COMMISSIONER: Yes.

MR HENRY: I'm told that so far as the witnesses for today are concerned, that Mr Ian Edwards and Ms Kiera Edwards are both here - - -

THE COMMISSIONER: Yes.

MR HENRY: - - - but are unavailable tomorrow.

THE COMMISSIONER: Right.

20

MR HENRY: So my proposal was to complete Ms Brown and then call Mr Ian Edwards. And then at the end of Mr Ian Edwards, depending upon where we are, either start with Ms Kiera Edwards or move to Mr Donovan.

THE COMMISSIONER: All right.

MR HENRY: Which I realise puts Mr Donovan in a position where, instead of going away as you suggested - - -

30 THE COMMISSIONER: Yes.

MR HENRY: - - - he would need to stay.

THE COMMISSIONER: Well, at least Ms Shipley, I think, is probably a remote prospect.

MR HENRY: I think it's fairly safe for her to go. And can I add this, that in relation to tomorrow, irrespective of where we are at the end of today, I'd be asking if Mr Wing could be interposed - - -

40

THE COMMISSIONER: Yes.

MR HENRY: - - - because he's coming from interstate. That would have the effect, and I don't know at this stage how long Mr Wing is likely to be, but that would have the effect that tomorrow it shouldn't be necessary for witnesses to be here, other than Mr Wing, until, I would think, at least morning tea.

THE COMMISSIONER: All right.

MR HENRY: And then it shouldn't be necessary for other witnesses to be here either. So, I know that's not a direct answer to your question, but perhaps I think it would be safe for Ms Shipley to leave if she prefers. And perhaps if I can suggest that we revisit the position with respect to the remaining witnesses for today and those listed for tomorrow at lunchtime?

10 THE COMMISSIONER: At lunchtime. All right. We'll do that, then. Mr Dunne.

MR DUNNE: Yes, I represent Ms Shipley - - -

THE COMMISSIONER: Yes.

MR DUNNE: - - - Commissioner. And if it assists the Commission - - -

THE COMMISSIONER: Yes.

20 MR DUNNE: - - - Ms Shipley intends to be here today - - -

THE COMMISSIONER: Anyway.

MR DUNNE: - - - and tomorrow, and so - - -

THE COMMISSIONER: All right. All right, well - - -

MR DUNNE: - - - we can - - -

30 THE COMMISSIONER: We did our best.

MR DUNNE: Yes. No, at least she can be a backup witness if - - -

THE COMMISSIONER: Yes, all right.

MR DUNNE: - - - if things come up.

THE COMMISSIONER: Well, we'll leave her on the list, then.

40 MR DUNNE: Okay.

THE COMMISSIONER: All right. Now, just before we continue with Ms Brown's evidence, I think I just need to correct a misapprehension that I might have conveyed in a question to Ms Brown yesterday afternoon. And that was in relation to the \$180,000 salary, which was Mr Johnson's total remuneration as at May 2010. But it appears that there were three increments to that salary up to July 2012, which in effect put his salary at \$223,613. That was in July 2012. So that by the time that the GMS-

Waauidji contract was broken down into the three separate contracts, those three separate contracts, in fact, taken together, did not represent an increase to the base remuneration that he was entitled to at that point in time. So I just wanted to put that on the record lest someone has the same misapprehension as I had in relation to that matter.

Now, Ms Brown, you are on your former oath, or affirmation, and you are still subject to the section 38 order. Do you understand that?

10

THE WITNESS: Yes.

THE COMMISSIONER: Yes, Mr Henry.

10 MR HENRY: Thank you, Commissioner. Ms Brown, do you understand what the Commissioner was just referring to in relation to the replacement of the GMS/Waawidji contract with the three contracts the subject of the December, 2012 Board meeting?---Yes.

All right. Were you aware – actually, perhaps I’ll ask for the minutes to be brought back up for you. Volume 10 of Exhibit G1, page 121. Do you see there the minutes that I took you to yesterday, 10 December, Ms Brown? ---Yes.

20 Go to page 122 please. You’ll see motion 4 again at the top of the page. Do you see motion 4?---Yes.

In light of what the Commissioner has just said, did you at this meeting understand that what was being proposed by motion 4 was in substance the replacement of the remuneration package in the GMS/Waawidji contract with three other contracts each with Waawidji as a party and each of Marumali, GHS and GTS respectively as the counter party?---Could you ask again please.

30 Yes. Do you understand that motion 4 involved not an increase in pay as between GMS and Waawidji but rather the replacement of the remuneration under that contract with the same amount of remuneration but split three ways in three other contracts?---I don't remember.

Well, did you think you, did you think that the motion at the time at the meeting, did you think that the motion involved an increase in pay or not? ---I don't remember.

Well, why as you recall was one contract being replaced with three?---I really don't remember.

40 THE COMMISSIONER: But wasn't some explanation given for why this arrangement was being preferred?---Sure, probably at the time but I don't recall.

I mean, this is one of the problems with the minutes that don't record the discussion. It's just simply a question of the motion being put and then a decision about whether it was carried or not. There's nothing in the minutes that refreshes your memory about the discussion?---No.

MR HENRY: Were you aware at the time of the meeting that the term of the contract as between GMS and Waawidji ran until 2015?---I don't recall.

See this contract between GMS and Waawidji was terminated before its term had expired. Do you understand that?---Yes.

Terminated retrospectively. Do you understand that?---Yes.

10 And replaced with three other contracts. Do you understand that?---Yes.

Can you provide any explanation as to why that was done?---No.

All right. You can hand back volume 10, please Ms Brown. And I'll ask you please to be shown volume 5 at page 131. Now volume 5 at page 131 you'll see at the top of the page it says GLALC Development Services Limited Circulating Resolution of Directors Pursuant to the Constitution of the Company. Do you see those words?---Yes.

20 And is that your signature on the right hand side about two thirds of the way down the page, Carol Brown?---Yes.

Right. You signed this document I assume on 15 January, 2014 where the date is stated. Is that right?---Yes.

All right. What do you understand was the purpose of this document that you signed?---A wage rise.

I'm sorry?---The wage rise.

30 What wage rise?---For the new wage that we decided on, the 180,000.

Just take a moment if you would to read page 131. Have you read page 131?---Yes.

I'll ask you again what do you say was the purpose of this document that you signed?---To get things running properly.

40 A moment ago you said it was for a wage rise. Do you still say that it was for a wage rise or not?---No.

All right. You've now said that you thought it was to get things running. To get what running?---For the CEO to and the Board to keep running Gandangara well.

Yes, but what did you think this document achieved?---Continuum of our running.

Do you recall where you were when you signed the document?---No.

You said that it referred to at the top of the page is a circulating resolution of directors. Can you see those words?---Yes.

Tell me if this accords with your recollection that this document was presented to you for signing at the offices of GLALC at a meeting that wasn't a directors Board meeting that was convened with the usual notice. Does that assist your recollection?---No.

10 Do you recall when, when there are minutes that I've taken you to that you haven't signed those minutes. Correct?---I wasn't aware that every Board member had to sign minutes.

Oh, no, I'm not suggesting every Board member did have to but you didn't sign Board minutes did you?---Not that I recall.

No. But you did sign this circulating resolution didn't you?---Yes.

20 Can you recall, apart from on this particular occasion on 15 January, 2014, signing any other circulating resolutions?---Not that I recall.

This – if you have a look please – if you have the hard copy you'll see there's a circulating resolution signed by you on page 131 and I suggest that if you go from pages 131 through to page 138, on each of those pages is a circulating resolution signed by you. Do you agree with that?---Yes.

So there's a collection of circulating resolutions signed by you each on 15 January, 2014. Do you agree?---Yes.

30 This was an unusual event in your experience as a director of GLALC wasn't it to be signing circulating resolutions?---From memory we had a lot of timeframe things put on us - - -

Right?--- - - - through our governing bodies and it wasn't unusual.

So you say - - -

40 THE COMMISSIONER: Sorry, what wasn't unusual?---For us to have to sign something in a timeframe.

Well, that's not what's being put. What's being asked of you is whether or not the circulation and signature of this resolution was unusual outside of a Board meeting, whether you can recall any other occasion when you signed a resolution that was circulated outside of a Board meeting?---Sorry, I can't recall.

Well, does that mean that there weren't any other occasions that you signed a resolution outside of a Board meeting?---I really can't remember.

MR HENRY: This set of circulating resolutions was signed by you a little over two years ago. Do you agree?---Yes.

I realise that's not in the most recent past but it's not years and years ago is it?---No.

10 Now, do you recall in January, 2014 an attempted restructure of the companies within what I might loosely describe as the Gandangara group of companies?---Yes.

And do you recall that by the point in time at which these circulating resolutions were signed by you Mr Lombe had become the Administrator of GLALC?---Yes.

With those facts in mind and having had regard to the terms of the resolution on page 131, are you able to recall now why you signed this document?---I can't recall.

20 If Ms Brown could please be shown volume 1 at page 258, and please hold onto volume 5, Ms Brown?---I've got volume 3. Sorry.

So you should have in front of you now volume 1, page 258 which has some diagrams on it, one headed Original Structure and another one headed New Structure. Can you see those diagrams?---Yes.

30 Now, the diagram headed Original Structure I suggest to you depicts the corporate structure of the Gandangara group companies prior to the circulating resolutions of 15 January, 2014. Do you agree with that?---Yes.

And am I right in understanding that whilst you were director of GLALC you were a director of each of the companies, each of the other companies identified in the original structure?---Yes.

Now if you have regard then to the new structure in the diagram do you agree that that was the structure that you were attempting to put in place by signing the circulating resolution?---I don't remember.

40 Well do you remember being told in January, 2014 that there was a proposal to restructure the Gandangara group of companies?---Yes.

All right. Who told you that?---David Lombe.

I see. If, if one goes back then please to page 257. I appreciate that the diagram on page 257 isn't as clear as perhaps it may be, but if you look at that diagram there's a circle in the middle that says GLALC and then there are spokes as on a wheel and at the end of each spoke is another circle with one of the Gandangara group companies in that circle. Do you understand?

---Yes.

Now if you have a look at the right hand side of the page on 257 you'll see it says under the heading Background, as noted in prior reports, the administrator had conducted legal and tax reviews and drafted the documentation required to enable the Board to put the proposed hub and spoke corporate structure in place, diagram opposite. Do you see those words?---Yes.

- 10 Now you said a moment ago that Mr Lombe had suggested that there be a corporate restructure. Is the corporate restructure to which you referred this Hub and Spoke Corporate Structure?---(No Audible Reply).

THE COMMISSIONER: Is that what Mr Lombe said to you about the proposed change, that it was to implement the change that you see on the, on the diagram?---Yes.

MR HENRY: Do you recall that?---Yes.

- 20 All right. Now you agree, going back to page 258, that the hub and spoke Structure that Mr Lombe spoke to you about was a different structure to the new structure identified on page 258. Do you agree?---Yes.

And do you agree that the circulating resolutions to which I've taken you attempted to put in place the new structure, depicted on page 258?---Yes.

And that was a different structure to the hub and spoke structure that Mr Lombe had proposed. Correct?---Yes.

- 30 Did you sign the circulating resolutions to put in place the new structure with a view to stopping Mr Lombe from implementing the hub and spoke structure?---No.

Well why did you sign the circulating resolutions when you did?---'Cause they still were working for the Gandangara entities, the whole lot.

- 40 THE COMMISSIONER: Ms Brown, Ms Brown, sorry, with respect, that's not an answer to the question. You have to focus on the question. You acknowledged that Mr Lombe intended to implement the hub-and-spoke model. You acknowledged that you knew that. You also acknowledged that the structure that was brought into effect by the circulating resolution was different to the hub-and-spoke model, and you acknowledged that you knew that. The question is, why did you sign the circulating resolution in the knowledge that it would, in effect, thwart the Registrar's – sorry, thwart Mr Lombe's intention to impose the hub-and-spoke model? That's the question. You're being asked why you did that.---Because I didn't, wasn't aware that the hub-and-spoke model was a lock-in.

Was a what?---A locked in situation that we had to have that one.

Well, whether it was locked in or not, you've just told the Commission that you knew that Mr Lombe was moving towards the hub-and-spoke model, and he was the administrator of the GLALC at the time. You knew that.
---Yes.

Right. So, before Mr Lombe could put that into effect, the board signed a circulating resolution that, in effect, changed the structure of the GLALC. You agree with that?---Yes.

10

Why did you sign it at that time, knowing that Mr Lombe intended to implement a different structure? Why not give Mr Lombe an opportunity to discuss the new structure at a board meeting, instead of pre-empting the discussion at that meeting? That's what's being asked of you.---I don't recall.

Was it because you wanted, as a member of the board, to stop Mr Lombe from implementing the hub-and-spoke model?---No.

20

Well, what other explanation could there be? Stop and think for a moment, will you? What other explanation could there be?---Better outcomes.

MR HENRY: What better outcomes?---For the GLALC members.

Yes, what better outcomes for them?---Providing services, service in the community.

Why wouldn't that have been done under Mr Lombe's hub-and-spoke model?---I don't know.

30

Who first told you about the proposed new structure, as depicted on page 258?---I can't recall.

Well, you understood, didn't you, before you signed the circular resolution, that the new structure involved a change to the then existing structure. Do you agree?---Yes.

Who proposed the change?---The board.

40

Who?---CEO. The chair. The board.

Well, be specific about this. You say you recall Mr Johnson proposing the new structure, is that right?---Yes.

Do you recall Ms Cronan suggesting the new structure?---Yes.

Do you recall anyone else, apart from Mr Johnson or Ms Cronan, suggesting the new structure?---The rest of the board.

What, every member of the board came up with this same idea? Is that what you say?---No.

What do you recall Mr Johnson saying about the new structure, prior to you signing the circulating resolutions?---This should be a good structure.

Yes. Did he explain what it was?---A way of operating to provide the best outcomes for our community.

10

Yes. Did he explain how it would do that?---I can't remember.

Did he explain the new structure to you at the offices of GLALC on the day upon which you signed the circulating resolutions?---I can't remember.

Were you ever provided with a diagram of the new structure?---I don't remember.

Was there a presentation about the new structure that Mr Johnson gave?
---Possibly but I really don't remember.

20

What about Ms Cronan, did she perhaps – I withdraw that. Do you recall her giving any information to you about the new structure?---I don't recall.

Do you agree that you signing the circulating resolutions on 15 January, 2014 was a matter of significance in your time as a director of GLALC?
---Not particularly.

Well, do you say that you essentially were given these pieces of paper, the circulating resolutions and just was asked to sign them and signed them without having regard to their content?---No.

30

So you read them first did you, before you signed them I mean?---I'm sure I did at the time but I really can't remember.

Did you understand when you signed the circulating resolutions that a purpose of those resolutions was an attempt to remove assets of companies within the Gandangara Group from being affected by or under the supervision of the Aboriginal Land Rights Act?---Sorry, could you repeat that.

40

Yes. Did you understand that at the time at which you signed the circulating resolutions that a purpose of those resolutions was to try and remove assets of companies within the Gandangara group from supervision or restrictions under the Aboriginal Land Rights Act?---No.

Did you turn your mind to that at the time at which the resolutions were signed?---I can't remember.

Well, how are you able to say positively no to my previous question?
---Because I don't remember signing it at the time. Like I remembered signing it but I don't remember everything else that went with it at the time.

So when you say you remember signing it now, where were you when you signed it?---You've told me I was at Gandangara premises.

No, I asked you. Do you remember that?---No.

10

THE COMMISSIONER: Was there any other member of the Board present who signed this document at the same time that you signed it?---I can't remember, Commissioner.

Was Mr Johnson there when you signed it?---Can't remember.

20

MR HENRY: I'll ask, please, for you to hand volumes 5 and 1 back, Ms Brown, and ask for you, please, to be given volume 20, at page 250. Take a moment, please, Ms Brown, to read this letter at pages 250 and 251 of volume 20. Have you read that letter?---Yes.

Have you seen that letter before?---Not that I recollect.

You appreciate that the letter concerns amounts of money that were paid to Mr Johnson or Waawidji. You agree?---Yes.

30

And do you recall that an issue arose at a Board meeting concerning whether or not a letter about Mr Johnson or Waawidji's receipt of a bonus payment should be signed. Do you recall that occurring?---Really don't remember.

Well, you see on page 250 there's a table on the page. Can you see that table? First page of the letter?---Yes.

You'll see it has a column headed "reimbursement of expenses". Can you see that column?---Yes.

And there's a total of \$357,386. Can you see that total?---Yes.

40

Now, that table records, in the reimbursement of expenses column, the total payments made between the Gandangara entities, referred to in the left-hand column, to Mr Johnson or Waawidji. Do you understand that?---Yes.

Now as at October, 2012 did you consider the payment to Mr Johnson or his company of approximately \$357,000 for one year a large amount of money?---I don't remember.

Well you've said haven't you that in 2010 you thought \$180,000 was a good amount for Mr Johnson to be paid. Correct?---Yes.

And 357 odd thousand dollars is almost twice that sum isn't it?---Yes.

Do you say that 357 odd thousand dollars of expenses for Mr Johnson or his company to be reimbursed for is the year ended 30 June, 2012 was an amount that didn't take you by surprise?---I can't really remember.

10 THE COMMISSIONER: Whether or not it took you by surprise then, looking at that figure now does it surprise you that Mr Johnson claimed \$357,000 by way of reimbursements for expenses that he said were related to the performance of his duties as CEO. What is your view of it now, bearing in mind that his salary was in the order of 180,000 per annum?--- Sorry, I'm just confused a bit. I won't be a minute.

Confused about what?---Just I'm not a good reader of these things.

20 The question is looking at that figure now \$357,000, which is close to twice Mr Johnson's remuneration of 180,000, that figure of \$357,000 is said to represent reimbursement of expenses that Mr Johnson incurred carrying out his role as CEO of Gandangara. Do you understand that?---Yes.

30 So the question is sitting there now as you look at that figure do you say that that is an acceptable figure? Do you say that it's an unacceptable figure? Does it seem to you to be excessive or not excessive? Does it seem to you to be something that was within the scope of the kinds of expenses that Mr Johnson did incur to your knowledge? What's your view about it?---My view about it would have been it would have been a one off thing.

No, your view about it now. Forget about what you would have thought. What is your view about it now?---The same.

Meaning what?---It's not an excessive amount of money.

You don't think it's an excessive amount of money?---(No Audible Reply)

40 MR HENRY: Well, have a look please, Ms Brown, at the next column which is titled Bonus. Do you see that column?---Yes.

Do you see the figure there \$316,738. Do you see that figure?---Yes.

Does it – is that amount of money an amount of money you would have expected Mr Johnson to receive by way of a bonus for one year's work in circumstances where his salary that you said was a good amount for him to be paid was in the order of \$180,000?---Yes.

So your position is this, is it, \$180,000 was a good amount you say for Mr Johnson to be paid for his work on behalf of the Gandangara group. Is that right?---Yes.

In addition to that amount him being reimbursed expenses of 357-odd thousand and being paid a bonus of 316-odd thousand is still a reasonable amount for him to be paid for a year's work. Is that right?---Yes.

10 You can take it from me that if one adds up the reimbursement of expenses figure and the bonus figure they total \$674,124. Do you understand that? ---Yes.

So your evidence is that Mr Johnson or Waawidji being paid about \$180,000 is a good amount for him to be paid for the work that he did. Correct?---Yes.

But if he's paid in addition to that about \$674,000 that's still a good amount for him to be paid for doing the same work. Is that right?---No.

20 Right. Well, at what point do you say you draw the line and the amount paid to Mr Johnson or Waawidji ceases to be a good amount?---Could you rephrase that.

Yes. You say 180,000 was a good amount. Correct?---Yes.

But you also say if one adds to that 674-odd thousand that's no longer a good amount. Correct?---Yes.

30 Well, at what point between 180,000 and 674-odd thousand do you draw the line and the amount stops being a good amount to pay Mr Johnson or Waawidji?---This would be a one-off.

You don't know that do you?---With all honesty I would say yes.

Did you have any idea of the expenses that Mr Johnson or Waawidji was reimbursed each year whilst you were a director of GLALC?---Please, could you please repeat it.

40 Yes. Whilst you were a director of GLALC each year were you aware of the amount of expenses that Mr Johnson was reimbursed?---No.

Were you ever asked to review an expense claim made by Mr Johnson?---No.

Did you ever approve an expense claim made by Mr Johnson?---Possibly.

Well can you recall approving - - -?---No.

- - - an expense claim made by Mr Johnson?---I don't recall.

All right. What about Waawidji, can you recall ever reviewing an expense claim made by Waawidji?---I don't recall.

Can you recall approving an expense claim made by Waawidji?---I don't recall.

10 Well if you don't recall reviewing or approving expense claims made by Mr Johnson or Waawidji you're not able to say one way or the other are you whether the reimbursement of expenses recorded on page 250 of 357 odd thousand was a one off or not. Correct?---Correct.

So when you said a moment ago that it was a one off you were making that up weren't you?---No, that's what I believe.

It's a guess isn't it?---No. To be the best of my knowledge.

20 Yes, but you have no knowledge do you as to what Mr Johnson or Waawidji was reimbursed on an annual basis?---No.

You agree you had no knowledge?---I don't recall.

Have a look please if you would page 251. Do you see there's a heading bold type, Statement By The Chief Executive Officer and Directors. Can you see that heading?---Yes, yes.

30 It says beneath that, "we confirm that completeness and accuracy of the information provided regarding the payments to Mark Johnson during the year ended 30 June, 2012. We confirm that the transactions above have occurred in accordance of the employment contracts between Mark Johnson, Waawidji and Gandangara". Do you see those words?---Yes.

Now you'll see beneath there under the words, "yours sincerely", it says, "for and behalf of the Board and Directors". Can you see those words? ---Yes.

And then there's two signatures. Do you recognise the signatures?---Yes.

40 Whose are they?---Jack Johnson and Cinderella Cronan.

Right. Now going back up to the paragraph to which I directed your attention, that is we confirm the completeness and accuracy of the information provided, did you ever agree for this letter to be signed on your behalf?---Yes.

All right. You see that in the second sentence of the paragraph to which I directed your attention it says, "we confirm that the transactions above have

occurred in accordance of the employment contracts between Mark Johnson, Waawidji and Gandangara". Do you see that sentence?---Yes.

When you agreed for this letter to be signed on your behalf did you have regard to the terms of the employment contracts between Mark Johnson, Waawidji and Gandangara?---I don't remember.

Well have you ever looked at those contracts?---I don't remember.

10 Have you ever looked at a contract that identifies the manner in which Waawidji or Mr Johnson is to be paid, sorry, a bonus of Mr, Mr Johnson or Waawidji is to be calculated?---I don't remember.

I'll go back because I confused the question. Do you recall ever looking at the provisions of a contract that identified the manner in which a bonus would be calculated for either Mr Johnson or Waawidji?---I can't recall.

20 Well, when you agreed to this letter being signed on your behalf, did you not have regard to the terms of any contract?---I'm sure I did at the time but I don't remember now. It was like eternity ago.

What's your best recollection of the way in which a bonus was to be calculated for Mr Johnson or Waawidji?---Can't recall.

You've got no idea?---Not of any details or anything, no.

30 Can you suggest any basis upon which a bonus of \$316,738 could have been payable to Mr Johnson for the year ended 30 June, 2011?---Could you ask me again?

Yes.---Sorry.

You see that bonus referred to on page 250 of \$316,738? Can you see that? ---Yes.

40 If you read over the page, page 251, it says, "In regards to the bonus, that was paid during this year. We confirm that this relates to performance to 30 June, 2011, which is in accordance with his employment contracts with GLALC." Can you see that?---Top sentence.

Yes. Can you see that?---Yes.

My question to you is can you provide any explanation as to how, by reference – I'll withdraw that. Can you provide any explanation as to how Mr Johnson or Waawidji could have been entitled to a bonus of \$316,738 for the year ended 30 June, 2011?---Don't recall.

Did you make any attempt, prior to agreeing to this letter being signed on your behalf, to check whether or not he was in fact entitled to a bonus in that amount?---No.

So you just said, "Sign the letter. I don't care if it's accurate or inaccurate." Is that right?---No. As I say, at the time it would have been all discussed, probably. But I just have no recollection.

10 But you remember enough to be able to say that you made no attempt to check for yourself whether, in fact, a 316-odd thousand dollar bonus was payable, is that right?---Yes.

And do you agree with this, that at the time at which you agreed for this letter to be signed on your behalf, you didn't know one way or the other whether a 316-odd thousand dollar bonus was payable?---Could you ask me again, sorry?

20 Yes. At the time at which you signed this letter, you said you made no attempt to check whether a 316-odd thousand dollar bonus was payable, correct?---Yes.

And my suggestion to you is that you signed the letter – I'll withdraw that. That you authorised for the letter to be signed on your behalf in circumstances where you didn't know one way or the other whether a bonus of 316-odd thousand dollars was payable.---At the time, I would have been informed, but I have no recollection.

Do you have volume 10 there as well, Ms Brown?

30 THE COMMISSIONER: Does that mean you would have been informed by Mr Johnson of how the bonus was calculated?---Possibly.

Well, who else would have given you that information?---Maybe Cinderella.

MR HENRY: Page 118 of volume 10. But leave, if you would, please, the letter at volume 20, page 250, available. Excuse me. You should be looking now, Ms Brown, at minutes of the directors' meeting of 30 October, 2012. Is that what you see?---Yes.

40 And you're recorded as being a person who attended that meeting. Correct?---Yes.

Now, look if you would please at motion 2. Can you see motion 2?---Yes.

It says, "The Board moves that the M Johnson/Waawidji representation letter requested by Lawlers and presented to the Board be signed by the Chair and the CEO on behalf of the Board." Do you see that?---Yes.

Did you vote in favour of that resolution?---I don't remember.

Well, you see the reference to a representation letter in motion 2?---Yes.

Do you agree that that is the letter, a reference to the letter that I've taken you to at pages 250 and 251 of volume 20?---Yes.

And you agreed for that letter to be signed on your behalf you've said. Remember?---Yes.

10

Moving back then to motion 2 on 30 October, 2012 was your authorisation to sign the letter given by you voting in favour of the resolution at motion 2 on 30 October, 2012 at the Board meeting?---Sorry, could you repeat that.

Yes. You've said that you authorised the letter to be signed. Correct? ---Yes.

My question to you is was that authorisation given by you voting in favour of the resolution at motion 2?---I would say so.

20

Can you recall the letter or a draft of the letter being presented to the Board meeting on 30 October, 2012?---I don't remember.

Can you recall there being a vote about whether or not the letter should be signed?---I don't remember.

THE COMMISSIONER: Ms Brown, there were only six Board members at that meeting according to the attendances and two of them were involved in moving and seconding the motion so there are only four people left to vote.

30

So what's your recollection, did all four people vote in favour of the motion in addition to the mover and the seconder?---Yes.

MR HENRY: You remember that?---Not specifically.

Well, why did you answer yes to the Commissioner's question?---Because I'm reading the letter and we wouldn't have done – we would always have a conversation around things before we signed things so I am saying yes.

40

THE COMMISSIONER: Is this just a reconstruction on your part namely, you are just assuming that these things occurred because you have no memory of them?---Sorry, could you say that again.

Are you simply reconstructing these events on the basis that you presently have no memory of them but you're just assuming that certain things occurred. Is that what you're saying?---Yes.

All right.

MR HENRY: Perhaps if you hand back, Ms Brown, volumes 10 and 20 and I'll ask for you to be provided with volume 9 please at page 50. You should now have in front of you Ms Brown, minutes of a Board meeting of 18 April, 2011. Is that what you have?---Yes.

And you're marked as being in attendance at that meeting. Correct?---Yes.

Now go if you would please to page 52. You see on page 52 motion 8. Can you see that?---Yes.

10

It says, "The Board resolves that an appropriate resolution be put to the members in line with relevant legal advice that funds be transferred to GLALC to the GFF". Can you see that?---Yes.

Now do you recall being at a meeting in April 2011 at which there was a discussion concerning the transfer of funds from GLALC to GFF?
---Vaguely.

20

All right. What do you recall?---That we would have a future fund for the benefit of Gandangara Local Aboriginal Land Council.

Yes. And when you say a future fund where was the money to come from?
---Surplus from developments or any money that we made being a non for profit organisation.

And what was to happen with that money as you understood it?---It was a nest egg for the future generations and to benefit GLALC.

30

So it was as you understood it to benefit what the members of GLALC. Is that right?---Yes.

Why as you understood things to preserve money for the benefit of the members of GLALC would it have been necessary to transfer funds from GLALC to GFF?---So they'd be in a place accessible and able to grow.

Right. Why wouldn't those funds be accessible if they remained with GLALC?---They were always with GLALC.

40

No. The question was why would it be necessary to transfer money from GLALC to GFF and you said so that the funds would be accessible and could grow. Do you recall saying that?---Yes.

And my question is why in order to have access to GLALC's funds would it be necessary to transfer those funds from GLALC to GFF?---Because it was for the future.

The funds could have stayed with GLALC couldn't they and still be accessible in the future?---To me they were still always with GLALC.

Well you see in the resolution at motion 8 is referenced to funds being transferred from GLALC to GFF. Can you see those words?---Yes.

There was no need for funds to be transferred from GLALC to GFF for the funds to be available to GLALC. Correct?---Could you say that again, sorry?

10 For GLALC's funds remain available in the future to GLALC there's no need to transfer them anywhere is there?---I still saw them in my mind being with GLALC.

Well, what was the purpose, as you understood things, of transferring any money from GLALC to GFF if, in your mind, the funds after the transfer were still with GLALC?---Maybe a better interest rate.

THE COMMISSIONER: Is that just a guess?---No.

20 Well, were you told something about the funds being able to be invested at a better interest rate?---Yes.

MR HENRY: By whom?---Mr Johnson.

What did he say?---That we could get a better interest rate than from a bank.

When did he say this?---I can't recall.

30 You seriously recall Mr Johnson saying to you that funds should be transferred from GLALC to GFF because GFF would get a better interest rate on those funds than GLALC?

MR TAYLOR: Sorry, Commissioner. I don't think that was her evidence. She said better interest rate - - -

THE COMMISSIONER: A better interest rate - - -

MR TAYLOR: - - - than from a bank.

40 THE COMMISSIONER: - - - than from a bank. But inherent in that is that - maybe that might need to be explored, Mr Henry.

MR HENRY: All right. Ms Brown, you seriously suggest, do you, that Mr Johnson's - you recall, hand on heart, do you recall Mr Johnson saying to you funds should be transferred from GLALC to GFF because GFF will get a better interest rate on those funds than it could get at a bank?---I don't recall the exact conversation, but it was along those lines.

When do you say this happened?---When we set up the GFF fund.

Do you say it happened at a Board meeting?---I can't recall.

Well, who else was present during this conversation?---I would say it happened at a Board meeting.

Yeah. Who else was present?---Board members.

Who?---I don't recall.

10

You're not making this up?---No.

All right. You'll see on page 52 of volume 9 it says, "The Board resolves that an appropriate resolution be put to the members in line with relevant legal advice." Do you see those words?---Yes.

"In line with relevant legal advice"?---Yes.

20

Were you ever provided with a copy of written legal advice in relation to the proposed transfer of funds from GLALC to GFF?---Sorry, I don't remember.

Well, if I could ask you, please, to be shown volume 17 at page 80. Now, page 80, you'll see, is the first page of a memorandum of opinion, and it goes through to page 92. It may assist if you use the hard copy. I can see it's being flicked through on the screen and it may be a little bit too quick for you. If you could just have a look at the document headed "memorandum of opinion", from pages 80 to 92, with a view to answering this question, have you ever seen that document before?---I don't recall.

30

All right. If you go to page 3 in the same volume. Do you see another Memorandum of Opinion. This one goes from page 3 through to page 9. Again, the question is have you ever seen that document before?---I don't remember.

Well, do you remember ever being shown at a Board meeting written legal advice provided to GLALC about the proposed movement of funds or transfer of funds from GLALC to GFF?---Sorry, could you repeat that.

40

Do you recall ever being shown at a Board meeting written legal advice concerning the proposed transfer of funds from GLALC to GFF?---I don't recall.

All right. Do you remember being told at any time whilst you were a director of GLALC that GLALC could not donate or gift funds to GFF?---I don't remember.

Did you understand that whilst you're a director of GLALC that GLALC could not simply give money to GFF?---I don't recall.

Do you recall understanding that GLALC could make a loan to GFF?---I don't remember.

Do you recall being told that GLALC could make a loan to GFF pursuant to a members' resolution of GLALC?---I really don't remember.

10 Do you recall being told that GLALC could make loans to GFF but those loans had to be secured loans?---I'm sorry, I don't remember.

Do you remember being told that GLALC could make loans to GFF but only on commercial terms?---I don't remember.

Did you have any understanding whilst you were a director of GLALC as to whether GLALC could lend money to GFF?---Could you say that again please.

20 Did you have any understanding whilst you were a director of GLALC as to whether GLALC could lend money to GFF?---I don't recall.

Is that a convenient time, Commissioner?

THE COMMISSIONER: Yes, thank you. Take the morning tea adjournment. Resume at a quarter to 12.00. Thank you.

SHORT ADJOURNMENT

[11.29am]

30 MR HENRY: Sorry, just pardon me for a moment, Commissioner. Commissioner, just in relation to witnesses to come after Ms Brown.

THE COMMISSIONER: Ah hmm.

MR HENRY: I understand there's been some discussion between Mr Collins and the legal representatives of Mr Ian Edwards and Ms Kiera Edwards and Mr Merv Donovan.

40 THE COMMISSIONER: Yes.

MR HENRY: And what is proposed, given the way we're travelling is that Mr Donovan come after Ms Brown's finished.

THE COMMISSIONER: Yes.

MR HENRY: And both Mr Edwards and Ms Kiera Edwards go over to Monday and, as indicated earlier, Ms Shipley would not be reached today.

THE COMMISSIONER: All right. Thank you.

MR HENRY: As for tomorrow, we'll need to reassess that - - -

THE COMMISSIONER: Yes.

MR HENRY: - - - at the end of the day, if that's convenient.

THE COMMISSIONER: All right. Thank you.

10

MR HENRY: Otherwise I was proposing to continue with Ms Brown.

THE COMMISSIONER: Yes.

MR HENRY: Ms Brown, do you have volume 9 there?---17.

Sorry?---No.

20 Perhaps if you return volume 17 and I'll ask you to be provided with volume 9. And if you could turn, please, to page 111. You should have now in front of you minutes of a Board meeting of 11 July, 2011. Is that what you have?---Yes.

And you'll see that you are identified as being an attendee at the meeting.
---Yes.

Now, if I could ask you, please, to turn forward to page 114. You'll see there motion 17 on page 114. Can you see that?---Yes.

30 Just take a moment, if you would, to read motion 17 and let me know when you've done that, please.---Read it.

All right. Do you recall being at a Board meeting at which this resolution was moved?---Not really, no.

Well - - -

40 THE COMMISSIONER: You were the seconder on the previous motion and the mover on the following motion. Do you see that?---Yes.

Right.

MR HENRY: And the following motion, which is motion 18, is a motion by which GFF resolves to enter into a loan agreement with GLALC. Can you see that?---Yes.

So do you recall being at a meeting, a Board meeting, at which loans as between GLALC and GFF were an item of discussion?---I don't recall.

Do you recall ever understanding whilst you were a director of GLALC that GLALC lent money to GFF?---I don't remember.

Did you have an understanding whilst you were a director of GLALC that at any time GLALC transferred money to GFF?---I don't remember.

You appreciate that motion 17 is a resolution that provides for funds to be loaned from GLALC to GFF on a commercial loan basis secured by charge.
10 Do you see that?---Yes.

Was it your understanding when you were a director of GLALC that GLALC could lend money to GFF on a commercial loan basis secured by charge?---I don't remember.

Do you recall ever being told that money had been transferred from GLALC to GFF?---I don't recall.

Do you recall ever being told that money had been lent by GLALC to
20 GFF?---I don't recall.

You were present at this Board meeting on 11 July, 2011 weren't you?
---Yes.

At any time after this Board meeting did you ask at a Board meeting whether funds had been lent by GLALC to GFF?---I don't recall.

For what purpose or purposes did you understand whilst you were a director of GLALC would GLALC lend money to GFF?---I don't remember.
30

THE COMMISSIONER: Was it at this Board meeting on 11 July that there was the discussion or at least the information that you said came from Mr Johnson to the effect that the monies would attract a better interest rate in the GFF account than was available from a bank?---I don't remember if it was at that Board meeting.

But this Board meeting was in fact a Board meeting about the terms on which funds would be transferred from GLALC to GFF wasn't it?---Yes.

40 That's what this was all about wasn't it?---Looking at this, yes.

And I thought you said that, that Mr Johnson's information about the interest rate issue was said at a Board meeting, so would it be likely that it was said in the context of this Board meeting?---I don't remember.

MR HENRY: Were you aware that GLALC had obtained legal advice as to whether it could move funds to GFF?---I really can't recall.

Well were you aware that GLALC was spending of thousands of dollars of getting legal advice about that subject matter?---I don't remember.

If you could please turn forward in the volume to page 129. You should see there madam, minutes of an ordinary meeting of 27 July, 2011. Is that what you see?---Yes.

Now, do you remember being present at this general meeting of GLALC?
---No.

10

All right. Go if you would please to page 132. Actually, I'm sorry, go back to 131 if you would please. There's a resolution, or a motion I should say headed Rental. Can you see that?---Yes.

It's a lengthy resolution isn't it?---Yes.

And you moved it didn't you?---Yes.

20

Go over the page please to 132. There's a motion at the top of the page styled Rent/Buy Program. Do you see that?---Yes.

You moved that resolution too didn't you?---Yes.

Then there's another resolution on page 132, a motion GLALC Future Fund. Can you see that?---Yes.

And you moved that resolution as well didn't you?---Yes.

30

You had an active role in this meeting didn't you?---Yes.

Now, do you recall being at the meeting?---No.

Have a look if you would please at the motion styled GLALC Future Fund and read it. Tell me when you have read it please.---Read it.

40

Do you agree that in substance the resolution of the members recorded on page 132 relating to the GLALC Future Fund effectively confirmed that the members agreed with the Board resolution to which I have taken you about the same subject matter on 11 July, 2011?---Yes.

Now, you were present at the Board meeting. Correct?---The previous Board meeting to this?

Yes.---Yes.

And you were present at the members' meeting on 27 July weren't you?
---Yes.

Why do you say GLALC would loan money to GFF?---For sustainability of the GLALC.

But there was no reason was there for GLALC to lend money to GFF for GLALC to remain sustainable. Isn't that right?---Could you ask that question again please.

Yes. You said that GLALC would lend money to GFF to be sustainable. Do you recall saying that?---Yes.

10

My proposition to you is there was no need for GLALC to lend money to GFF for GLALC to remain sustainable. Isn't that right?---I don't know.

I see. Go ahead again please in the volume to page 183. You should have in front of you now minutes of the GLALC Board meeting of 10 October, 2011. Is that what you have?---Yes.

You were present at that meeting, weren't you?---Yes.

20

If you go over the page, to page 184, you'll see there's a heading "Delegations", about a third of the way down the page, and then motion 4. Can you see that?---Yes.

And it says under motion 4 on page 184, "In accordance with section 72 ALRA, the Board affirms the following delegations for the remaining 12 months or until completion or until reviewed by the Board." Do you see those words?---Yes.

30

Go over the page, if you would, please, on page 185, to item 21. Item 21 reads, "In line with both Board's and members' resolutions, the CEO is authorised to ensure that all surplus funds are lent to Gandangara Future Fund Limited in line with the resolutions." Do you see those words?---Yes.

Now, you were present at this meeting, as well, weren't you?---Yes.

Did you vote in favour of that resolution?---I can't remember.

40

See, Ms Brown, you were present at a Board meeting on 11 July, 2011, a members' meeting on 27 July, 2011, and another Board meeting on 10 October, 2011. And at each of those meetings, the transfer or lending of funds by GLALC to GFF was discussed, wasn't it?---Yes. Looking at these, yes.

Well, can you remember that subject matter being discussed?---At some time, but not necessarily at these meetings.

All right. Well, where else was it discussed?---It would have been at probably these meetings. But I don't remember the discussion.

At any time following the 11 July, 2011 Board meeting, did you ask, "Has GLALC lent any money to GFF?"---No.

"Has GLALC transferred any money to GFF?"---No.

10 What, in your mind, was the purpose of the Board resolution, to which I've taken you, of 11 July, 2011, the members' resolution at the general meeting on 27 July, 2011, and the delegation resolution, to which I've taken you, on 10 October, 2011? What do you say the purpose of all that was?---To provide services to our – sustainability in services to the continuum of GLALC.

Well, if you were concerned about the sustainability of GLALC, why didn't it occur to you to ever ask about whether funds were being lent or transferred by GLALC to GFF?---I can't recall.

20 Weren't you concerned to know if the sustainability was being implemented?---We were never insolvent.

THE COMMISSIONER: Just in relation to the delegation to the CEO to effect those loans to GFF, in the subsequent Board meetings, as part of the CEO's report, was the Board told about the number and size of the loans that were affected, according to this delegation?---I don't remember.

But if you were going to delegate that function to the CEO, you would expect him to report to the Board when he performed that function, wouldn't you?---Yes.

30 Well, do you know if that ever occurred?---I don't recall.

Are you suggesting that, for all you knew, the entire funds of the GLALC could have been lent to the GFF and you wouldn't have known about it? ---No.

You're not suggesting that?---No.

40 But you've got no way of knowing if that occurred or it didn't occur?---I don't recollect.

But if you made no inquiries then you had no way of determining whether or not that occurred. Anyway as things presently stand you just had no idea whatsoever whether funds were transferred from GLALC or lent from GLALC to the GFF?---I'm sure I did at the time but I don't recall now.

Well at the time of what though?---These things when you put them up.

No I'm not talking about these things. I'm talking about whether or not you were ever informed that funds in fact were lent by GLALC to GFF. Not just the fact that you've recorded the terms of the loans and the delegation of the CEO, that's in the minutes. What we're interested in knowing is were you ever informed at a Board meeting after these events that the CEO had carried out function and had in fact lent funds from GLALC to GFF?---(No Audible Reply).

10 You don't know one way or the other whether you were informed?---I'm sure we were.

Well why do you say that?---Because we always did our best to act in the correct interest for the Land Council.

Well if you were informed you would expect to see it in a CEO report at one of the Board meetings wouldn't you?---Yes, and I probably did, but I, it just seems so long ago to me to remember everything.

20 Are you still a Board member of GLALC?---No.

When did you cease being a Board member?---When we were stood down. 2014?---Yes.

Well as at 2014 when you were stood down did you know then whether or not there were funds lent from GLALC to GFF?---I don't recall.

30 MR HENRY: Ms Brown, do you recall a development undertaken by GLALC for Gandangara Estate No.2?---Yes.

What do you recall about that development?---Not a lot.

But you said just a moment ago you recalled it. What do you recall about that development?---I'd like to change my statement from yes to no, I don't recall.

40 When you said yes were you telling the truth?---I thought I was but then when I thought about it more, I don't recall enough about it to say yes. Gandangara Estate No.2 involved a residential subdivision. Do you recall that?---Not in detail, no.

THE COMMISSIONER: Well do you know that it was a residential subdivision?---I don't recall.

MR HENRY: Ms Brown, it was a 39 lot residential subdivision?---Now you've said that I recall.

Do you have any recollection as to approximately how much money comprised the proceeds of sale of those lots?---I don't remember.

Even approximately?---No.

10 So you're a Board member of GLALC that – it undertakes a 39 lot residential subdivision and you've got no idea how much money was generated by way of proceeds of sale of that development?---I don't recall the details. I know it was a successful development but I don't recall the monetary details.

THE COMMISSIONER: Well, are we talking in the hundreds of thousands or the millions, I mean, is there some kind of ballpark figure that you can recall was the successful indicator of the development?---Maybe 4 million.

Maybe 4 million.

20 MR HENRY: That's a guess is it?---As I said I didn't recall the details and that was a guess.

Do you recall approximately when GLALC received those proceeds of sale?---I can't remember the time.

Do you recall that it preceded the 11 July, 2011 Board meeting to which I've taken you to the minutes?---I don't remember.

30 Wasn't this the sequence, in about March, 2011 GLALC received or had received in the order of \$9.5 million as proceeds of sale from the 39 lot subdivision to which I've referred?---I don't recall the figures.

THE COMMISSIONER: Does that jog your memory, that it was in March, 2011 that you received 9.5 million?---The monetary side doesn't come to me as a memory. I remember we finished a successful development.

Well, you indicated that you guessed it was 4 million. In fact it's more than twice that figure and does the reference to March, 2011 ring any bells?---No, I don't recall.

40 No. Wasn't this development the single largest development that GLALC had ever undertaken?---Yes.

Well, this was their major project wasn't it?---Yes.

This was the biggest windfall they've ever received wasn't it in your time as a Board member?---Yes.

MR HENRY: You don't remember that?---No. Not in the figures, no.

Well, as you understood things was the purpose of lending money from GLALC to GFF to transfer proceeds of sale of this Gandangara Estate Number 2 development from GLALC to GFF?---Could you please repeat that.

10 Yes. Was the purpose of the resolution to which I have taken you of 11 July, 2011 to lend money from GLALC to GFF, was that resolution put in place as you understood things to transfer proceeds of sale from the Gandangara Estate Number 2 development from GLALC into GFF?---I don't remember.

See there was a large amount of money that GLALC was sitting on, when I say large I'm talking in excess of \$9 million, prior to the 11 July, 2011 resolution concerning loans from GLALC to GFF. That's right isn't it?---I don't remember.

20 And then subsequent to the 11 July, 2011 resolution, money was transferred from GLALC to GFF. Did you know that?---Just read it to refresh my memory.

I'm sorry?---No.

THE COMMISSIONER: You didn't know that?---Sorry, I'm finding the questions confusing.

30 MR HENRY: Weren't you concerned to know, following the Board resolution of 11 July, 2011, how much, if any, of the nine-odd million dollars' worth of proceeds of sale from Gandangara Estate Number 2 had been moved from GLALC into GFF?---Sorry, could you repeat it once more?

Yes. Following the Board resolution of 11 July, 2011, weren't you concerned to know how much, if any, of the proceeds of sale of the Gandangara Estate Number 2 development had been transferred or moved from GLALC to GFF?---No.

You didn't care about that?---I cared about it, and I would have known more about it in my mind then than I do today.

40 THE COMMISSIONER: Well, sorry, you just seem to have contradicted the answer that you gave to the previous question. First of all, your answer to Mr Henry was "No, I wasn't concerned about it." Then you said, "I cared about it but I would have known more about it then than I do today." So which is it? You did care about it or you didn't care about it?---I cared about it.

Right.

MR HENRY: Well, if you cared about it, why didn't you ask? Or I'll withdraw that. Did you ask at any Board meeting after 11 July, 2011 how much money has gone from GLALC to GFF?---I don't recall.

And you don't recall ever being told about how much money was transferred from GLALC to GFF?---I don't recall.

10 If Ms Brown could please be shown volume 20 at page 16. You should have in front of you, Ms Brown, a letter dated 31 August, 2012, from the Office of the Registrar of the Aboriginal Land Rights Act to GLALC. Is that what you have?---Yes.

And it refers, at paragraph 2, to an enclosed compliance direction to GLALC. Do you see that?---Yes.

20 It may be more helpful for you to use the hard copy. The document enclosed with the letter runs from page 17 through to page 20. Could you please review that document with a view to answering this question, have you seen this compliance direction before?---Is it page 20?

Yes, through to page 20. You've read that document?---Yes.

Have you seen it before?---I don't recall.

Well, this document I suggest to you is an important document. It's a document by which the Registrar of the Aboriginal Land Rights Act directs GLALC about things it can and can't do. Do you understand that?---

30 Yes.

Now, if you had seen that document before you'd recall it would you not? ---I don't remember.

THE COMMISSIONER: So nothing about that document triggers any memory at all of a direction in similar terms being issued to the Board of GLALC?---(No Audible Reply)

40 You have – nothing about that document triggers any memory about any compliance direction coming from the Registrar?---I really don't remember.

Are you aware that there was a compliance direction that issued to the Board of GLALC or issued to the GLALC by the Registrar, are you aware that that occurred?---(No Audible Reply)

I'm not focussing on that document. I'm just asking you - - ?---Sorry.

- - - are you aware that there was a compliance direction that came from the Registrar to the GLALC?---Yes.

You knew that?---But not any – not – I do not remember the details of it.

All right. But you knew that it happened?---At some time, yes.

Yes.

MR HENRY: What did you understand the effect of the compliance direction that you recall was?---To do what he wanted it to do.

10

Yeah, which was what?---Be compliant.

In what respect?---To the Land Rights Act because I've just read it or - - -

Didn't you understand firstly, that the Registrar issued a compliance direction in about August, 2012?---I don't remember.

The compliance direction that you do remember, when do you say that was issued?---I don't remember.

20

So you don't – you remember that a compliance direction was issued by the Registrar to GLALC. Is that right?---At some time, yes.

You can't recall even approximately when that - - -?---No.

And you can't recall what the subject matter of the compliance direction was. Is that what you say?---Except for what I just said to you before along the lines of what he wanted us to do.

30 Yeah.---Which I've just read.

So is the compliance direction that you recall this compliance direction to which I've taken you?---I don't recall the details.

Ms Brown, didn't you understand that in late 2012 or the second half of 2012 the Registrar issued a compliance direction and as you understood it the effect of it was that GLALC was directed that it couldn't continue to transfer money to GFF on the basis upon which it was doing that?
---Reading this, yes.

40

But didn't you understand that back in 2012?---I must of.

Well, what steps if any did you take as a director of GLALC to satisfy yourself that GLALC was complying with the compliance direction after it had been issued?---Sorry, could you repeat that again or rephrase it.

Yes. What if any steps did you take as a director of GLALC to ensure that GLALC was complying with a compliance direction that had been issued to it?---I don't remember.

Do you recall being told that – I withdraw that. Do you recall being informed after the issue of the compliance direction that GLALC transferred funds to GFF?---I don't remember.

10 Was that not a matter of some concern to you after the issue of the compliance direction whether GLALC was transferring money to GFF?—I don't remember.

Do you recall a finance subcommittee being established?---Yes.

Who was on that?---Cinderella Cronan.

Ah hmm?---John Dickson. I don't recall the third person.

20 So there were three people were there?---Four. I'm not sure if it was three or four.

Were you ever on it?---No.

Do you know if Mr Johnson was ever on it?---No.

As in you don't know?---Not now.

Do you recall when or approximately when it was established?---No.

30 It wasn't in place was it at the time at which you became a director GLALC?---No.

It came subsequent to that didn't it?---Yes.

What did you understand the role of the finance subcommittee was?---To look at all the financials and bring it to the Board.

40 Did you understand that it was a role of the finance subcommittee to approve expense claims made by Mr Johnson?---No.

As in that wasn't the role as you understood it of the finance subcommittee?---Sorry, could you repeat it.

When you say no, are you saying that it was not the role of the finance subcommittee to approve expense claims made by Mr Johnson or are you saying you don't know whether it was the role of the finance subcommittee to approve expense claims made by Mr Johnson?---I don't know.

Well which are you saying?---That I don't know. To me if they were to approve anything it would be brought before the Board before they approved anything. They were a subcommittee that works with the Board and would take care of looking at financials.

So are you saying that as you understood things the finance subcommittee had no decision making power of its own?---No. To my understanding no.

10 When you say no you're agreeing with me?---You'll have to rephrase it again so I could agree or disagree.

All right. Do you agree that the finance subcommittee had no authority to make decisions on behalf of GLALC?---No.

Right. So the finance subcommittee could make some decisions could it? ---It would look at everything to make sure it was okay and then bring it to the Board.

20 This is what I'm trying to understand. Was it simply a committee that prepared material for presentation to the Board or was it a decision making committee?---(No Audible Reply).

Well did it decide to make payments to people on behalf of GLALC?---Not that I'm aware of.

All right. I have no further questions of Ms Brown, Commissioner.

30 THE COMMISSIONER: Just on the finance committee, just to bring it back to the question of expenses claimed by Mr Johnson, did the finance committee report just give you a figure in relation to the expenses claimed by Mr Johnson, and the Board accepted that figure and approved it? Or did that not show up in the finance committee report?---I don't remember.

Can you tell us who took the minutes at the Board meetings?---Jack Johnson and sometimes Cindy Cronan.

Can you tell us how he took the minutes? By what means he took the minutes?---Typed them up onto a screen.

40 So was he typing minutes in addition to typing the form of the resolution that would be put to the Board?---He would type up something and we would all look at it and have input.

Yes, but they're not minutes, you see. That's what I'm trying to get at. When you say he typed the minutes, the minutes of a meeting are a record of the things that occur at the meeting, not just the resolutions that are put and passed. What I'm trying to get at is what did you see him do by way of

preparing the minutes? Not the resolutions on their own, but I mean a record of what was occurring at the meeting. What did he do, if anything?
---Typed them up and they were on the screen.

Well, the only thing that you've said was typed up and put on the screen was the resolutions. Is that right?---No.

No?---The minutes of it.

- 10 All right. What appeared on the screen other than the resolutions? Other than the words of the resolutions that we see set out, motion, motion, motion, motion. Other than that, what else did you see on the screen?
---Things that were brought to be discussed.

Well, for example, let me just take a hypothetical example. Did you see, for example, on the screen, under, say, motion 4, that "the Board of GLALC approve loans to GFF on commercial terms with a registered charge", for example? I'm just giving you an example.---Yeah.

- 20 So in addition to seeing that on the screen, did you also see, underneath that, a record of what people were saying? For example, "Miss Brown asked what were going to be the terms of the loan." Or, "Miss Brown said she wanted to know what the interest rate was." Or, "Miss Brown said this" or "Someone else said that." Was that kind of thing recorded on the screen? Was the discussion recorded on the screen that you saw?---I remember it being a discussion more than seeing it on the screen.

Well, was anything on the screen apart from the terms of the resolution that was being discussed?---I can't - - -

- 30 I'm talking about at every Board meeting that you attended over a period of five years.---Yes.

Well, what was it?---If there was a Board member that abstained, it would be noted.

Well, why doesn't that material appear on the minutes that you've been shown on the screen? Why doesn't it appear in the minutes that have been handed to the Commission?---I don't know.

- 40 You've got no idea? Was there ever any recording device placed on the table to record the minutes?---Always.

Always? So the discussions at the Board meetings were recorded on a, what, on a hand-held recorder?---A recorder built into the table type thing, or on the table.

So there were audio recordings of what was said?---To my knowledge, yes.

Right. Did that happen at every Board meeting?---To my knowledge, yes.

Right. Yes?

MR DUNNE: Ms Brown, my name is Dunne. I represent Ms Shipley. If I could just follow on from the questions the Commissioner was just asking you about what appeared on the overhead screen during a Board meeting.
10 Was it the case – actually, do you still have volume 9 with you?---Yes.

Could you go to page 111 of volume 9? Do you see that at the top it says minutes of the and then it lists all the various entities, Board Meeting, 11 July, 2011. Do you see that heading?---Yes.

Would something like that appear on the screen at the meetings, that heading on the document that was on the overhead, the screen?---I don't remember.

20 Would there be a reason for words opened and the time it was opened to be typed in for you to see?---Yes.

And where it says attendance, there would be a heading Attendance on the screen, overhead screen for you to see and then whoever wasn't attending would be typed - - -?---Yes.

- - - so that you could see?---Yes.

30 So is it the case in fact that in addition to simply the resolutions that were being typed by Mr Johnson the actual minutes of the meeting were being typed as the meeting proceeded. Is that right?---Yes.

And you could see those?---Yes.

And I think in fact – just excuse me a moment, I can't get it up. I think in fact that you told Counsel Assisting yesterday in answer to a question that if there was a discussion or a disagreement with the wording of a resolution that could be changed by Mr Johnson as the meeting progressed. Is that right?---With all approval at the meeting.
40

At the meeting?---Yeah. With everyone at that meeting being on the same page.

All right. Now when the minutes appeared on the overhead screen for everyone present at the Board meeting to see - - -?---Yes.

- - - was it a completely blank page that was typed as the meeting progressed or was there already words present on the page, sort of a template. Do you understand what a template is?---Yes.

Was there sort of a template of the minutes already appearing on the screen?---As in attendance?

No. For - - -?---The agenda.

10 So there would be attendance already there, corporate secretary - - -?---Yep.

I'm just looking at 11 July, 2011, page 111. So there'd be a heading for attendance and then type in your attendees?---Sorry, could you ask that again.

I'm sorry. So if you have a look at page 111 you'll see after opened there's a heading attendance?---Yep.

20 That word attendance in that box would already be on the screen and it would be filled in by Mr Johnson?---Yes.

And then a heading apologies?---Yes.

Then the – and then we, then we get into the motions before the committee for that meeting. Would there already be draft wording of those motions on the screen for discussion before those motions were discussed?---I really don't remember.

30 I see. Now in answer to a question from Counsel Assisting, you said, and if you can keep that page open, 111 please, you said that you didn't recall this meeting of 11 July, 2011 or in fact motion 17. Was that correct? Motion 17 is on page 114

THE COMMISSIONER: Well I mean it is correct, that's what she said. Are you asking her whether she adheres to the evidence she's already given?

40 MR DUNNE: I'm just saying – that's correct. I'm just making sure that I've got that correct?---Yes.

And so you have no memory as to who in fact moved the motion would you?---(No Audible Reply).

You don't remember who moved that motion. Is that right?---(No Audible Reply).

Okay.

THE COMMISSIONER: That's - - -?---No, I don't remember.

MR DUNNE: That's okay.---I don't remember the Board meeting. I've got a bad memory.

MR DUNNE: Have a look at page 116. It says, "The next meeting is September, 2011".---Yes.

10 Okay. Can I ask you to go to 181 of volume 9 please. Have you got that page?---Yes.

Now, this is 5 September. So this is 5 September, 2011. This is about five days after the date of the letter from the Registrar, the compliance that Counsel Assisting was asking you about shortly before I commenced asking you questions. Do you remember that?---(No Audible Reply)

Now, apart from the fact that it lists attendees, do you recall whether this meeting in fact took place?---I don't remember.

20

All right. You will see that you listed as an attendee?---Yeah.

And you'll also see at point number 2 previous minutes?---Yes.

There's acceptance of the minutes of the meeting on 11 July, 2011. Do you see that?---Yes.

But there's no mover, no one is listed as moving, no one is listed as seconding. Do you see that, do you agree?---Yes.

30

And yet the motion is listed as carried. Do you see that?---Yes.

And you'll see in fact that the same formatting occurs in motions number 2 and 3 at the bottom of that page.---Yes.

And if you turn over to page 182 there are two motions 4 – motion 4 and motion 4 (as said). Again, motions with no movers, no seconders yet both of them carried.---Yes.

40 And in fact under general business you'll see, which is point 11, it's vacant, no one has moved, no one has moved it, no one has seconded it and yet it's listed as carried. Do you see that?---Yes.

So is it in fact the case that the minutes were in fact prepared before the meeting took place, before the Board meetings took place and were amended as needed during a meeting?---Not that I'm aware of.

I see. If I could ask you to move now to page 183. These are minutes of a meeting of 10 October, 2011. Do you have that page?---Yes.

And you're listed as being in attendance?---Yes.

If you turn to page 184, motion number 4, acceptance of previous minutes. Do you see that?---Yes.

10 And it says, "The Board moves that the minutes of the meeting held on 11 July, 2011 are accepted. That was the motion. Do you see that?---Yes.

But that was the meeting – that wasn't the immediate previous meeting which was in September, it was two meetings ago in July. Is that correct or does that appear correct to you?---It appears correct.

And it doesn't record – and you said that if there was anything on the screen that was incorrect or subject to discussion members would raise that with the – in the meeting. Is that right?---Yes.

20 And there's no record there that anyone has said, including yourself, no, the last meeting wasn't 11 July, 2011, it was September, 2011. That needs to be changed. Is that correct from what you see on that page?---Could you restate that question please.

All right, look. What I am saying is you have previously given evidence that if something on the screen, something in the minutes, needed to be changed, because people would be reading it and if they disagreed with it, they'd tell Jack and he would change it. Is that correct?---Yes.

30 And what I'm saying to you here is in a meeting in October 2011 there is reference to the previous meeting, being 11 July, 2011. No reference to the meeting of September 2011. And these minutes do not record anyone pointing out that that was an error. You don't see that anyone has complained or argued in those minutes, is that right?---Yes.

And that motion was carried forward to the December 2011 motion. Sorry, meeting. Do you see that?---Yes.

40 And that was carried. No reference to a mover or a seconder. It was simply carried over. And the last meeting I will take you to is in fact that December Board meeting on page 187, where you were in attendance. ---Yes.

And there's no mention, if you take your time to have a look at that, but there's no mention to accepting the minutes of the meeting of 11 July. The only mention of accepting the minutes are of the previous meeting of 10 October, 2011. Do you agree with that?---Yes.

And so apart from the September minutes, which have no mover or seconder recorded for any of the motions, the minutes of 11 July, 2011 were never accepted by the Board. Does that appear to be correct to you?
---Could it be a human error?

What human error?---That we missed something.

I see. So, there's between six and eight of you in attendance at these various meetings. And all of you didn't pay attention at the meetings to point out
10 that error. Is that what you're saying?---I don't remember.

I see. Yes, thank you. No more questions.

THE COMMISSIONER: Oh, I'm sorry.

MR MACK: Commissioner - - -

THE COMMISSIONER: Sorry.

20 MR MACK: I note the time. I have about five to ten minutes' worth of questions.

THE COMMISSIONER: All right. All right. Well, we'll take, sorry, take the luncheon adjournment and we'll resume at 5 past 2.00. Thank you.

LUNCHEON ADJOURNMENT

[1.08PM]