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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 TUESDAY 31 MAY 2016

AT 10.07AM

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

THE COMMISSIONER: Yes, Mr Henry.

MR HENRY: Thank you, Commissioner. Could Ms Cronan please be provided with volume 9 at page 111. You should have in front of you, Ms Cronan, the minutes of a Board meeting of 11 July, 2011. Is that what you're looking at?---Yes.

10

And I took you to these minutes yesterday do you recall?---Not really. You took me to so many.

All right. If you go over to page 114 – excuse me – you will see motion 17. Do you recall me taking you to that yesterday?---Yeah.

20

Now, I'd ask you just to take note of what it says particularly in the first three lines, that is, "The Board resolves that all funds surplus to the operating needs of GLALC shall be loaned to GFF on a commercial loan basis secured by a charge registered with ASIC".---Yeah.

You see that?---Yeah.

Now, with that in mind I'd ask you to go forward in the volume to page 129 please.---Yeah.

Now, these are minutes of an ordinary meeting of GLALC of 27 July, 2011.---Yeah.

30

A bit over two weeks after the Board meeting to which I have just made reference. Do you recall if you were at this ordinary meeting?---Yeah.

You were there?---I'm pretty certain I was.

All right. If you could turn forward please to page 132.---Yeah.

You'll see motion, in the middle of the page, "Motion, GLALC Future Fund." Can you see that?---Yeah.

40

And if you can read that motion with a view to answering this question, um, do you agree that in substance what occurred at the ordinary meeting was that the members approved of the directors' resolution of 11 July 2011, to which I've just taken you?---Yeah.

Do you agree with that?---Yeah.

And then I'll ask you to go forward further in the bundle, to page 183.---Do I need to flag these other ones?

No, no.---Okay.

If you want to, you can, and I can give you some flags, but there's no need to for my purposes.---183?

183.---Did you say 103 or 183?

183.---Yeah. I've got 183.

10

So these are minutes of the GLALC Board Meeting of 10 October, 2011. ---Yeah.

And you were in attendance at this meeting?---Yeah.

If you go over the page, to page 184 - - - ---Yeah.

- - - you'll see motion 4, about halfway down the page, under the heading "Delegations". Do you see that?---Yeah, yeah.

20

And it reads, "In accordance with section 72 ALRA, the Board reaffirms the following delegations for the remaining 12 months or until completion or until reviewed by the Board." Do you see that?---Yeah.

And then there's a number of paragraphs, totalling 25 in number, which set out the delegations.---Yeah.

30

And do you recall when this was done whether the delegations were up on the overhead screen at the meeting?---I don't remember if they were up on the screen.

I raise it partly because there's obviously a lot of text in this motion.---Yeah.

And is that something that would have fitted on the screen?---Probably not in all one, probably not in all one screen.

Right.---It would probably have to be rolled over.

40

But do you recall text of this volume being put up on the screen for the purposes of a motion?---I don't remember at this stage.

All right. If you look at page 185, there's subparagraph 21.---Yeah.

And it says, "In line with both Board and members' resolutions, the CEO is authorised to ensure that all surplus funds are lent to GFF in line with the resolutions." Do you see that?---Yeah.

And did you understand at the meeting that those Board members' resolutions that are made reference to in this motion - - - ---Yeah.

- - - were firstly the Board resolution to which I've taken you, of 11 July, 2011 - - - ---Yeah.

- - - and the members' resolution of 27 July, 2011?---Yeah.

10 So you understood, didn't you, that certainly by October 2011, any money that was transferred from GLALC to GFF had to be firstly a loan? Do you agree?---Yeah.

Secondly, that it had to be a loan on a commercial basis. Do you agree? ---I can't remember what the basis was, but, yeah.

Well, I'll take you back to the 11 July resolution on page 114. You see how it reads, "The Board resolves that all funds surplus to the operating needs of GLALC shall be loaned to GFF on a commercial loan basis?"---Yeah.

20 You understood that, didn't you?---Yeah.

And you understood that as at 11 July, 2011, didn't you?---Yeah.

And you also understood, didn't you, that any loan had to be secured by charge registered with ASIC?---That's what it said, I think.

I'm sorry?---I think that's what it said, yeah.

30 Well, if you look at page 114, that is what it says. Do you see that?---I'll take your word for it.

Well, no, please don't. Page 114.

THE COMMISSIONER: It's about the middle of the page, under motion 17.---Yeah.

MR HENRY: Do you see where it's secured by a charge registered with ASIC?---For the love of God I can't find it.

40 It's the third line under the heading Motion 17.---Oh, yep, yep, yep. Thank you. I was looking in the dot points.

So do you agree by 11 July, 2011 you understood that any loans from GLALC to GFF had to be secured by a charge registered with ASIC? ---Yeah.

Now, you mentioned – then I'll ask you to be provided with volume 20 at page 16.---Yeah.

Do you recall having seen this document before?---Yeah.

You will see it's a letter dated 31 August, 2012 - - -?---Yeah.

- - - from Mr Wright, the Registrar, to Mr Johnson on behalf of GLALC?
---Yeah.

10 And it's – it encloses a compliance direction. Do you see that?---Yeah.

Now, the compliance direction itself commences at page 17.---Yeah.

And goes through to page 20.---Yeah.

Do you recall being informed about this compliance direction shortly after 31 August, 2012?---I don't know the date for when I was informed but I was informed.

20 Right. And did you understand that the effect of the compliance order was that the Board resolution to which I have taken you of 11 July, 2011 - - -?
---Yeah.

- - - was not to be implemented?---Yeah.

And did you understand that in – excuse me – 2012?---Yeah.

And you understood that the members' resolution of 27 July, 2011 to which I've taken you was not to be implemented?---Yeah.

30 That was the effect of the compliance direction as you understood it?
---Yeah.

Is it fair to assume that you were made aware of the compliance direction shortly after the date it was issued?---I don't recall.

Do you recall how you learned about the existence of the compliance direction?---Very vaguely.

40 Yes. What do you recall?---I think Jack phoned me in the first instance.

Right.---And then, and then sent me a copy of it.

I see. Now, you mentioned yesterday the rescission of – I withdraw that. Before I come to that, at the time at which Mr Johnson made you aware of the existence of the compliance direction, were you aware of the transfer of any funds from GLALC to GFF?---I don't recall.

Well, when it came to the implementation of the compliance direction did you understand that GLALC was required to stop doing something it had commenced doing?---Yes.

Right. And that something was the transfer of funds from GLALC to GFF?
---I don't recall.

10 Well, did Mr Johnson ever inform you of money – prior to the issue of the compliance direction of transfers of funds from GLALC to GFF?---I don't recall.

Did anyone else inform you of that?---I really don't remember right now.

Are you able to say whether you knew of the transfers of any funds at all from GLALC to GFF by the time of the issue of the compliance direction?
---Not with any certainty right now.

20 All right. Are you able to recall when you first learned of the transfer of funds by GLALC to GFF?---No.

At the time of the issue of the compliance direction, were you aware that millions of dollars had been transferred from GLALC to the GFF?---I know funds had been moved, but I'm not sure how much it was.

That wasn't something that was reported to the Board, as you recall?
---I really can't remember, I'm sorry.

30 All right. Well, by the time of issue of the compliance direction, it was the end of August 2012, correct?---Yeah.

And the resolution that the Board passed, to which I've taken you, that provided for the making of loans by GLALC to GFF, was passed on 11 July, 2011. Do you recall?---Yeah.

So there'd been in excess of 12 months passed since the passing of that resolution.---Yeah.

40 At any time during that period, that is, between the passing of the Board resolution approving loans from GLALC to GFF and the issue of the compliance direction, was the Board informed that monies had been transferred from GLALC to GFF?---We would have been informed in our financials. I just don't remember any of the details about how much and when and all the rest of it.

I see. So you say there would have been entries in financial reports that would have disclosed that fact?---Yeah.

All right. Was there discussion about those transfers at all at Board meetings?---There would have been but I can't think of one right this minute.

All right. Following the issue of the compliance direction - - - ---Yeah.

- - - there was a Board meeting at which the rescission of the motion to which I've taken you, of 11 July, 2011, occurred. Do you recall that?---Repeat.

10

Perhaps I'll deal with it another way. Have you got volume 10 there?
---I think I've got 20 and 9.

All right. If you could please - - - ---Yeah, I have.

- - - be shown volume 10 at page 113.---Yeah.

You should have Board minutes of a meeting of 10 December, 2012.---Yeah.

20

And you were in attendance?---Yeah.

If you go to page 114 - - - ---Yeah.

- - - you'll see motion 5 - - - ---Yeah.

- - - under the heading "CEO's Report".---Yeah.

30

And it says, "The Board resolves as follows, to rescind motion number 17 of the GLALC Board meeting of 11 July, 2011, which was carried amended on 30 July, 2012." Do you see that?---Yeah.

You mentioned yesterday rescission of a motion. Do you recall?---Yeah.

And is this what you were referring to?---I think it is.

I've taken you to the Board meeting of 11 July, 2011. You're familiar with that, yes?---Yeah.

40

In relation to the amendment referred to of 30 July, 2012, could I ask you, please, to go back to page 111 in the same volume?---Yeah.

That document appears to be the minutes of the Board meeting of 30 July, 2012. Is that what you're looking at?---Yeah.

And you're in attendance at the meeting?---Yeah.

Those minutes don't refer to any amendment of the motion of 11 July, 2011. Do you agree?---No.

If you go back then to page 114 are you able to assist by recalling what that reference to an amendment was a reference to?---I have no idea I'm sorry.

All right. So sticking then with the meeting of 10 September, 2012 the first paragraph of motion 5 was a resolution to rescind motion number 17. ---Yeah.

10

Now, that was, was it not, an attempt to address the compliance direction. Do you agree?---I think so, yeah.

And then paragraph 2 on page 114 provides that GLALC's execution, delivery and performance of the loan deeds and security deed to which it is or is intended to become a party is in the best interests and for the benefit of GLALC. Do you see what?---Which paragraph was that?

2(a) on - - -.---Yeah.

20

- - - page 114.---Yeah.

Now, the loan deeds referred to on page 114, is that a reference to the two loan deeds to which I took you yesterday, and I can take you back to them if you need to be shown them?---I don't need to be shown them because I remember from yesterday but I don't know if that's the two that this is in reference to because there were so many.

30

Well, were the loan deeds to which I took you yesterday included in the loan deeds referred to in subparagraph 2(a)?---I'm not 100 per cent certain. I'm - I would have to guess.

Right. Do you recall - sorry, I withdraw that. Pardon me. If you look over the page to page 115. Excuse me.---Yeah.

You will see a reference to motion 7 at the base of the page.---Yeah.

And then at subparagraph 3 on page 116 - - -.---Yeah.

40

- - - there's a reference in subparagraph (b) of that paragraph to a loan agreement with GLALC on substantially the terms attached as annexure B regarding a loan of \$4,043,296 from GLALC to GFF.---Yeah.

Now, with that in mind if I could ask you please to go to page 3 of volume 20, and I think you have volume 20. Have you got a loan deed dated 1 July, 2012 there?---Yeah.

This is one of the deeds to which I took you yesterday, do you recall?

---Yeah.

If you go please, Ms Cronan, to page 11 you will see there's a drawdown notice.---Yeah.

And that's your signature at the base of the page?---Yeah.

You will see the amount the subject of the drawdown - - -?---Yeah.

10 - - - corresponds with the amount - - -?---Yeah, it does.

- - - in the minutes of the September, 2012 Board meeting to which I've taken you?---Yeah.

Do you agree that this loan deed is one of the loan deeds referred to in the minutes?---Yeah, it appears to be so.

Now, in relation to this drawdown notice you will see that the drawdown date is 31 June, 2014. Can you see that?---Yeah.
20

Now, that happened before the 10 September, 2012 meeting didn't it?
---Sorry, I just got confused. How can something happen before 2012 if it's 2014?

I'm sorry. I have my own dates confused. That's - my apologies. That's incorrect what I put to you.---Okay. I started to think it was me then.

Could I ask you, though, to go back to page 9.---Yeah.

30 And you'll see that the security documents on page 9, item 7 are nil.---Yeah.

And do you recall, and I can take you back to it if you wish.---No, it's fine. I remember.

The other loan deed to which I took you, dated 1 July, 2011, yesterday also had no security documents. Do you recall?---Yeah.

So do you agree with this? That the Board response to the compliance notice was firstly to rescind the previous motion of the Board that provided for loans to be made by GLALC to GFF. Do you agree with that?---Yeah.
40

And for GLALC to enter into loan deeds with GFF that provided for loans to be made by GLALC to GFF on an unsecured basis. Do you agree?---I'm not sure.

Well, the loans that were made by GLALC to GFF were made on an unsecured basis, weren't they?---Yeah.

And were you aware of that prior to the issue of the compliance directions?
---I don't recall.

Do you recall that – sorry, I'll withdraw that. If you go back to page 114 of the minutes of the September 2012 meeting in volume 10, there's a reference in paragraph 2 to a security deed. Do you see that?---Yeah.

Was a security deed ever signed on behalf of GLALC?---I don't know.

10 All right. You don't recall signing one?---I don't recall, no.

All right. If you return to volume 20, and I'll ask you to turn up page 93. This is a letter dated 19 October, 2012.---Yeah.

From the Registrar of the Aboriginal Land Rights Act to GLALC. Is that what you're looking at?---Yeah.

Do you recall seeing this letter before?---I'm not sure.

20 If you have regard to the terms of the letter, it sets out on page 93, firstly, the Board resolution and the members' resolutions, to which I've taken you, of July 2011 at paragraphs 1 and 2. Do you see that?---Which page are you talking about?

93.---But 93 contains two pages.

Yes. On the left-hand side of the page is paragraph 1, and that refers to the Board resolution.---Yeah.

30 On the right-hand side of the page is paragraph 2, which refers to the general resolution.---Yeah.

And that's the resolution, to which I've taken you, of the members.---Yeah.

Then, at paragraph 3, refers to the compliance direction.---Yeah.

Then – excuse me – going over the page to page 94.---Yeah.

40 You will see at paragraph 6 on the right-hand side of the page it says, "On 31 August, 2012 GLALC by its solicitors Baker & McKenzie sent me an email message in the following terms, 'I am instructed by my client that it is the intention of GLALC to comply with the terms of the compliance direction'." Do you see that?---Yeah.

Do you recall instructing Baker & McKenzie to send that message to the Registrar upon learning of the compliance direction?---I don't recall.

All right. Then at paragraph 7 at the base of page 94 on the right-hand side of the page there's the second Board resolution which is the one I've just taken you to.---Yeah.

And that's set out over the page. And then on page 95 on the right-hand side of the page towards the base of the page it says, "On 21 September, 2012 I", being the Registrar, "was sent a copy of the second Board resolution along with a copy of an extract of the report to the GLALC Board for the meeting and a copy of the draft security deed and loan deed which
10 were referred to in the second Board resolution." Do you see that?---Yeah.

Now, then the Registrar at paragraph 9 says, "The extract from the report to the Board for the meeting (a) contained a text of the Board resolution passed on 11 July, 2011. These stated that no loan agreement had been signed pursuant to the Board resolution." Over the page (c) stated that, "Between 10 October, 2011 and 27 August, 2012 GLALC transferred \$1.06 million to GFF which passed on those funds to GMS and GMS passed on those funds to what were described as the Gandangara group entities." Do you see that?
20 ---Yeah.

Now, were you aware of those facts at the time of this letter?---I don't recall.

Staying with page 96 on the left-hand side subparagraph (d) at the top left-hand part of the page says, "Recommended that GLALC enter into two loan agreements with GFF substantially in the form of the draft loan deed, the first for 1.06 million to ratify the existing loan, and the second for 4.043-odd million being a further loan and secure the loans by entering into a deed substantially in the form of the draft security deed." Do you see that?
30 ---Yeah.

Now, apart from the two loan deeds to which I've taken you are you aware of any other loan deeds between GLALC and GFF?---I don't recall.

And the two loan deeds to which I've taken you did you sign them at the same time?---I'm really not sure.

Do you recall if you signed either of them after this letter was received by GLALC?---I don't recall.
40

All right. And there's a reference in subparagraph (d) to the draft security deed. Do you see that reference?---Yeah.

Did you ever sign a draft security deed?---I don't recall.

Do you see underneath where I've just read it says 10, paragraph 10, "The draft loan deed (a) did not include a date for repayment of either loan"?
---Yeah.

And (b) stated, "The purpose of the loan is resources for development purposes." Do you see that?---Yeah.

And then it reads on, "I have not been advised whether the general resolution has been rescinded or varied." Do you see that?---Yeah.

Do you recall if the general resolution was ever rescinded or varied?---I don't recall.

10

Do you recall that following the 10 September, 2012 Board meeting you were made aware that the attempt that had been made by GLALC to address the compliance direction had failed as far as the Registrar was concerned? ---I don't recall.

Well, do you recall being provided with a copy of this letter which I suggest in substance told you that?---I don't recall.

20

Are you aware that funds were transferred from GLALC to GFF after the issue of the compliance direction?---Sorry, say it again.

Are you aware that funds were transferred after the issue of the compliance direction by GLALC to GFF?---I don't recall.

Were you not concerned to find out, as chair of the Board, whether, following the compliance direction, GLALC was not transferring funds to GFF?---I just don't recall. I may have. I just don't remember.

30

All right, well, you can hand back volumes 10 and 20, Ms Cronan. And I'll ask you to be provided with, sorry, you should have volume 9, I think. Is that right?---Yeah, I have.

Yeah. Could you go, please, to page 203.---Yeah.

I'm sorry. Volume 9, page 203.---Yeah.

You should have in front of you minutes of the GLALC Board meeting of 19 March, 2012.---Yeah.

40

These minutes are in a different typescript to other minutes to which I've taken you. Is there a reason for that, that you can recall?---I'm not aware of why.

I'm sorry?---I don't know why.

Does it suggest to you that someone other than Mr Johnson took these minutes or not?---Not necessarily.

All right.---It looks like it's a photocopy of a set of minutes, actually.

I'm sorry?---It looks like a photocopy of a set of minutes, rather than the actual minutes themselves. But anyway.

Bear with me, then. Do you remember this meeting?---Not straight up.

Well - - - ---Not unless something significant is going to step out and say, "Here I am."

10

I'm sorry?--- I said, not unless something significant has happened in this meeting and it steps out and says, "Here I am," sort of thing.

Well, have a look at this document. On the second page, page 204.---Yeah.

Motion 4.2 says, "The Board resolves to endorse the CEO's employment contract as it stands as at May 2010, in its entirety and in an unaltered state. This motions supersedes all previous motions regarding the CEO's employment." Do you see that?---Yeah.

20

And then motion 4.3, "The Board resolves to establish a finance subcommittee to assist the CEO with financial oversight of all finances." Do you see that?---Yeah.

Does that assist you in answering the question, do you recall being at this meeting?---No, it doesn't do anything for me.

All right.---But I can see that I was there, because it says that I was.

30

Do you recall what was said at the meeting in relation to the motion 4.2? ---I'm sorry, I can't help you with - - -

All right.--- - - - any more information around that.

Sorry?---I just can't think of anything that's helpful.

All right. So you don't recall Mr Johnson saying anything about motion 4.2?---I don't remember it, no.

40

And if Ms Cronan could please be shown Exhibit G13 at page 22. So this is your affidavit.---Yeah.

And for others who may not have it as Exhibit G13, it's volume 44 at page 210. I'll ask you to read paragraph 73, Ms Cronan. And let me know when you've done that, please.---I'm sorry, what did you say, Mr Henry? I'm sorry. I was - - -

THE COMMISSIONER: Paragraph 73.

MR HENRY: Read paragraph 73 and let me know when you've done that, please.---Yeah.

You say in paragraph 73, at the base of the paragraph, "At this meeting, Jack addressed the Board and said words to the following effect." And then you set out there some words that you say that Mr Johnson said at the meeting. Do you recall?---Yeah.

10 Do you see that?---Yeah.

Now, I rather understand from your evidence that you have no recollection of him saying that at all at the meeting. Is that right?---At this moment in time, no.

All right. But, what, you say that you could recall him saying those words in February of this year. Is that right?---Yeah. Yeah, I could. Obviously, I've made the statement.

20 Well, you've made the statement, Ms Cronan, but what I suggest to you is you have no recollection whatsoever of Mr Johnson saying that at the meeting.---At this particular moment in time, no, I don't.

THE COMMISSIONER: Well, does reading that paragraph allow you to refresh your memory at all? Does it help you, as you sit there, to recall whether or not those words were spoken?---I need to read a bit more than just that one paragraph, Commissioner, in order to get the proper context for it. Is that okay?

30 Yes, certainly.---Okay. So it was one of the sequences of events that occurred around Jack standing down and his reappointment, or the end of his suspension and his reassignment back to his work. And, yeah. Yeah.

Well, now, sorry, now that you've read that, can you help us? Is it the case that, as you sit there now, having read paragraph 73 - - - ---Yeah.

- - - that your recollection is refreshed about the content of the words that were spoken by Mr Johnson at the meeting?---Yeah.

40 So you now remember that those words were spoken?---Yes.

You had no recollection of them prior to reading paragraph 73?---Not a moment ago, no. The rest of the paragraphs have given me some context of the sequence of events that occurs in that.

Ms Cronan, when you swore that affidavit which was as I understand it February of this year.---Yeah.

And we're talking about a meeting on 19 March, 2012 so more than four years previously.---Yeah.

Did you have any notes of those meetings other than the minutes to allow you to recall the events and in particular the words that were said by Mr Johnson at that meeting, did you have any contemporaneous notes that you had taken or anything else to assist you to recall those words?---Not his words, no. That, that I remembered on my own. I have, I have lots of little notes to myself.

10

But specifically the conversation that's set out in paragraph 73?---No, not specifically that.

You had no notes of any of those conversations?---No.

So you were able to recall those words -?---Yeah.

- - - more than four years after they were said without any prompting from anyone?---Without any prompting.

20

But sitting here today without reading paragraph 73 you couldn't remember those - - -?---No.

- - - those words?---No, I couldn't, I couldn't grasp the context.

MR HENRY: So, Ms Cronan, your position is I gather that you have a better recollection now than you did five minutes ago as to a conversation that occurred in March, 2012 because you've read what you swore in an affidavit in February this year about that conversation. Is that right?---It's not just because I read the affidavit, it's because I was able to stimulate my memory in relation to the sequence of events that led up to that conversation.

30

Right. And that's an honest answer?---That is an honest answer.

Right. Paragraph 74 you will see refers to the establishment of a finance subcommittee. Do you see that?---Yeah.

Now, that was the subject of motion 4.3 on page 204 - - ----Yeah.

40

- - - of volume 9. Now, you will see motion 4.3 on page 204 has underneath it - I'll just wait for it to be pulled up on the screen. You will see under the text of the motion it says in bold type, "Deferred until casual vacancies are filled." Can you see that?---Yeah. Yeah.

Do you recall whether those casual vacancies were ever filled?---No.

Excuse me. Do you recall whether the – or when the finance subcommittee was established?---Not a specific date, no.

Well, it's obviously after the - - -?---Yeah, sometime in 2012.

- - - this meeting. Is that right?---Yeah. Sometime in 2012.

Well, are you able to say whether it was in the first half of 2012 or the second half?---No. No.

10

Am I correct in understanding that it was at some point established?---Yes, it was.

And who do you say were the members of it?---John Dickson, George Bloomfield and myself and I think Merv might have done a small stint at some point too but I'm not, I can't be certain.

Mr Donovan?---Yeah.

20

Now, the finance subcommittee reviewed - - -?---And myself too, sorry. I - - -

I'm sorry?---And myself. I forgot to say myself.

All right. The finance subcommittee I understand was provided with financial papers prior to a Board meeting for consideration.---Yeah.

Is that right?---Yeah.

30

Now, in the course of that consideration – sorry, I withdraw that. Was Mr Johnson present at the finance committee meetings?---No.

At the finance subcommittee meetings were expenses – I withdraw that. Were expense claims made by Mr Johnson considered?---Not as individual expenses, no.

40

What about expense claims made by Waawidji?---No. Everything was reported in the budget line items so any expenses that would have been made would have been assigned to a budget line item.

Right. And I rather - - -?---So it would have been a cumulative amount.

Yes.---Yeah.

So the information that was provided to the subcommittee, the financial information did not allow the subcommittee to identify what expenses were paid to Mr Johnson. Is that right?---No individual expenses to anybody for that matter.

Right. Including Waawidji?---Yeah.

Right. And the finance subcommittee did not approve any expense claims. Is that right?---No. It didn't have any approval – it didn't have that sort of authority. It only had the capacity to, to review and, and monitor and take recommendations back to the Board.

10 Right. You see motion 4.4 on page 204.---4.4 did you say?

Yes.---Yeah.

It says, "The Board authorises a CEO administration travel expenditure not exceeding \$4,000." Do you see that?---Yeah.

Do you recall what that related to?---I don't I'm sorry.

20 All right. You can hand back that volume, thank you, Ms Cronan, and I'll ask - - -.---Which one?

Volume 9.---Yeah.

And what other volume do you have, 44?---The exhibit, Exhibit G13.

Oh, G13. All right. Yes, you can hand that back for the moment as well and I'll ask for you to be provided with volume 41 at page 14.---Thank you.

Now, this is a letter. It's page 14 - - -?---Yeah.

30 Volume 41, page 14. This is a letter dated 18 February, 2014 to Mr Lombe.---Yes.

Is that what you're looking at?---Yeah.

And is your signature one of the signatures on the second page of the letter at page 15?---Yeah.

Do you recall signing this letter?---Not really but that is my signature.

40 Well, do you recall that – you've been sitting in this hearing room haven't you for the duration of the hearing?---Yeah.

And you recall evidence being given about Ms Provest and her being upset - - -?---Yeah.

- - - in relation to the signing of this letter?---Yeah.

And do you recall evidence being given to the effect that she said she was attacked verbally by Mr Tobler?---Yeah.

And that she started to cry?---Yeah.

Does that assist you in recalling being present at a meeting at which this letter was discussed?---Yeah.

10 What do you recall about what occurred at the meeting?---In relation to the incident with Ms Provest or - - -

Yes.--- - - - in relation to the letter?

Well, perhaps we'll deal with it one at a time. In relation to Ms Provest. ---Yeah. What would you like to know about Ms Provest?

Well, do you recall her being upset?---Yeah.

20 Do you recall her explaining why she was upset?---No.

Do you recall a discussion about Mr Johnson making a claim to be reimbursed with respect to expenses incurred in connection with a horse float?---Yeah.

All right. And do you recall any justification being proffered for the claiming of those expenses?---Yeah.

30 What was it?---It was in relation to some – I'm trying to think of the right words to describe it. Scoping work, I suppose you could define it as, for seeing whether or not the horse float, with its comparative size to, like, a mammogram van, or I don't know what you'd call them. You know the mammogram semis that you get? The trailer things that they set up? One of those. That's what our intention was. That was what the goal was, was to get one of those vans and have it with dental and optical services in it. But Jack was scoping out whether or not it was feasible to take something that huge into schools and stuff. So, that was - - -

40 THE COMMISSIONER: So the proposal was to actually buy - - -
---Eventually.

- - - a van or buy a vehicle that was fitted with dental equipment?---Or to equip one out ourselves. Whichever ended up being – because after he did all this investigation, it was then going to be decided which was the more economical way to go and all the rest of it. So there was a method to the madness, or apparent madness.

MR HENRY: And how did you learn of this?---It was a discussion that we'd all had as a Board for quite some time. It was part of the expansion of our health services.

Sorry, I should be more specific. I appreciate what you say in relation to expansion of the health services. That is, that was an object or objective of the Board. Is that right?---Ah hmm. Yeah.

10 But the use of a horse float in connection with that objective, how did you learn of that?---Well, Jack explained it to us.

And was that at the meeting at which this letter was signed?---It was part of the discussions at that meeting, that that's what some of the expenses had been on in relation to those charges. And, you know, the justification, basically, of those charges.

So Mr Johnson was present at the meeting, was he?---Yeah.

20 And he explained what he said was the use to which the horse float was put and in respect of which he claimed expenses, is that right?---Yeah.

THE COMMISSIONER: Can I just confirm, do I take it that the amount of money claimed as an expense in relation to the use of this horse float - - - ---Yeah.

30 - - - didn't come to the attention of the Board until the Administrator questioned that expense? Is that the position?---No. It had been to the Board. Not in that same context. More in discussing what we were hoping to achieve and ways to do that, as opposed to the expense side of it.

40 All right. So are you suggesting that when the Board discussed the expansion of the health services that it was in the context of that discussion that Mr Johnson said that he would use his horse float to determine whether or not it was feasible to embark on such a venture? Is that what you're suggesting occurred during previous Board meetings?---No, what occurred during previous Board meetings is that the Board had decided that they wanted to expand the health services in the way which I just described. And Jack was sent forth to go and find the information that we would require to make all this happen.

40 All right. Well, then, let me come back to the original question. Did the expense claim in relation to the use of the horse float for that specific purpose first come to the attention of the Board when the Administrator raised it? The quantity of money - - - ---Yeah, I suppose it did, yeah.

That was when it first came to the attention of the Board, that that was the money that was being claimed in relation to the use of the horse float? ---Quite possibly, yeah.

Right.

MR HENRY: Now, this letter, at pages 14 to 15, that you signed, who was that drafted by, do you know?---Good question. I can't remember.

Well, was it - - - ---Possibly Jack, but I can't remember for certain.

Well - - - ---On behalf of the Board.

10

Presumably you were provided by it for signing by someone. Is that right?
---Yeah.

Do you recall who that was?---No.

You understood, did you, at the time at which you signed the letter, that you were suggesting that the expenses in relation to the horse float - - - ---Yeah.

- - - were being approved by you?---Yeah.

20

Do you agree that expenses associated with Mr Johnson's horse float were expenses incurred for purposes that had absolutely nothing to do with GLALC?---Can I get you to repeat that sentence again?

Do you agree that expenses incurred by Mr Johnson in connection with his horse float had nothing to do with GLALC?---With GLALC, no. With health services, yeah.

30

Do you suggest that the expenses incurred by him in connection with his horse float were reasonably incurred in connection with his job at GLALC?
---Yeah.

THE COMMISSIONER: Can I ask this question? Did Mr Johnson give any information in respect of how many times, how often he'd undertaken the exercise with the horse float and in what different locations he had used the horse float for that purpose? Was there some detail provided around that what you called "scoping work"?---Yeah, he kept a log.

He kept a log, did he?---Yeah.

40

Was the log produced to the Board?---At some point it was. I can't remember exactly when, but it was.

Do you appreciate that the expense in relation to the horse float was constituted by the fitting of what's called a goose neck, which allowed the horse float to be towed by a vehicle?---Yeah.

You appreciate that was the expense?---Yeah.

And that was close to \$10,000 worth - - - ---Yeah.

- - - of money that was expended for that purpose?---Yeah.

MR HENRY: Could I ask you, please, to turn back to page 11 in volume 41?---Yeah.

10 This is an itemised list of the expenses that Mr Johnson asserted were legitimate claims.---Yeah.

Have you seen this before?---I think so.

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

Was this provided to the Board prior to you signing the 18 February, 2014 letter?---I don't know if this is the actual spreadsheet, but, yeah, there was a spreadsheet with a whole heap of - I can't remember if it was - - -

20 I see.--- - - - just this or whether it was the log that I'm thinking of. I'm not sure.

All right. Well, did you appreciate when you were signing the letter that you were supporting Mr Johnson's claim for expense concerning - if you look down the page on the left-hand side, about a third the way down the column, it says Lakota Trailers Australasia. Do you see that?---Yeah.

And there's an invoice of 21 July, 2011?---Yeah.

30 For \$9,800?---Yeah. Isn't that the one the Commissioner was just talking about?

Yes. I'm just going to break this up. There's that invoice. You appreciated did you when you signed the letter you were saying yes to that claim? ---Yeah.

And the claim beneath it?---Yeah.

40 For \$2,400?---Yeah.

If you go further down the page, about halfway down above the highlighted entry there's Tuza Floats?---Yeah.

8 September, 2011 invoice?---Yeah.

\$3,000?---Yeah.

And that's for the horse float accessory to which I think the Commissioner was just referring?---Yeah.

And you appreciated all of that did you when you said yes to signing the letter?---Yeah.

If you go over to page 13 you will see about a quarter of the way down the column on the left-hand side Corporate and Commercial Insurance Brokers. Do you see two entries there?---Yeah.

10

The lower one or the bottom one – sorry, the top one is for an invoice of 19 April, 2012, \$446.96, insurance for the horse float. Do you see that? ---Yeah.

And then the entry beneath it for 3,308-odd dollars, insurance for Lakota horse trailer. Do you see that?---Yeah.

And you appreciated that you were saying yes to those expenses as well? ---Yeah.

20

And then further down the page about three-quarters of the way there's another entry Corporate and Commercial Insurance Brokers,13 or - - -?--- Yeah.

- - - 15 February, 2012 invoice - - -?---Yeah.

- - - 3,446-odd dollars, insurance for Lakota horse trailer. Do you see that? ---Yeah.

30 And did you appreciate you were saying yes to that expense as well when you signed the letter?---Yeah.

Now, as I understand your evidence what you say is at the time at which you signed the letter you understood that the costs associated with the horse float - - -?---Yeah.

- - - were in your mind justified because Mr Johnson was driving the horse float around to see whether or not it would fit down streets. Is that right? ---If it would fit into schools, yeah.

40

The expenses to which I have just referred you - - -?---Yeah.

- - - I suggest to you firstly, were unnecessarily incurred for the purposes of working out whether a vehicle of any dimensions fitted down a particular street to go to a school. Do you agree?---I'm sorry, can I get you to repeat that.

Yes. The expenses to which I have just referred you were unnecessarily incurred for the purposes of working out whether a vehicle fits down a street to go to a school. Do you agree?---You're asking me – are you asking me that question?

Yes.---No, I don't agree.

One couldn't go and observe the street or the school to see for oneself if a vehicle fitted down the relevant street?---I don't know.

10

THE COMMISSIONER: Ms Cronan, can I just ask you, the items that you've been taken to on this page - - -?---Yeah.

- - - the expense claim review, do you appreciate that it covers the purchase and the registration and the insurance of a horse float and/or trailer?---Yeah.

MR DOCKER: Commissioner, can I just say I don't think it's been established that it does establish the purchase of the horse float trailer.

20

THE COMMISSIONER: Well, it may not and I'm having some problems determining whether the items relate to the same float trailer. There seems to be a reference to a Tuza trailer and then a separate reference to a horse float. But in any event it – all right, well, I just withdraw the reference to the purchase. Ms Cronan, is it your understanding that Mr Johnson already had a horse float that he proposed to use for this purpose?---Did I think - - -

Is that what he told the Board---Did I think he already had one?

30

Well, did he tell the Board, when you were discussing how you were going to advance this mobile dental clinic, did he tell the Board that he had a horse float that could be used to determine whether or not a vehicle of that size could fit into a school?---We didn't have a plan at that point when we were discussing it.

No. Did he tell you at some point that he had a horse float, or a trailer, that was of a similar size to one that might be required for that purpose that he would use?---I don't recall, to be quite honest.

40

Well, then, how did you know what he was going to do to advance the Board's proposal? Was there some discussion about how Mr Johnson was going to determine whether this mobile dental clinic was viable? Didn't the Board discuss what methodology he should use to do that?---No. Just tell him to do it.

Whichever way he pleased?---To take whatever measures he needed to make it happen. We did the same with the medical service, when we started off the medical service. He was given – you've got X amount of time to make a medical service.

But even assuming that that was the case, and even assuming that he had a horse float or a trailer that was of a size that corresponded somehow with a mobile dental clinic, he was going to spend some time driving that vehicle around to a number of schools to determine whether it fitted into those premises. Is that what you say?---That's what he's done, yeah.

Well, that's what he told you that he did.---Yeah.

10 Right. That would have taken a day here or a day there. It's not something that he would have done every day of the week for 365 days of the year, is it?---I'm not sure how much time it took him.

Well, you're not suggesting, are you, that he needed to be out on the road conducting that exercise for the entire year, are you?---No.

Well, then, on what possible basis does the Board pay, or, sorry, does the council pay for the registration and insurance of the trailer that covers the entire calendar year?---I'm not sure what the answer is to that.

20

I'm sorry.---I'm not sure what the answer is to that.

Well, try. On what possible basis does the council pay the registration and the insurance for the entire year?---I don't have an answer for that, I'm sorry.

MR HENRY: Have you still got page 11 there?---I have.

30 If I could ask you to turn back to the entry about a third the way down the left-hand column, Lakota Trailers Australasia, the invoice of 21 July, 2011. ---Yeah.

For \$9,800. Do you see that? Do you see that entry?---Yeah.

What was that for?---I don't know.

40 Well, it says, "Car trailer purchase, Lakota Trailer." I'm not sure if it says "8 inch" or "foot width", and I can't read – I don't understand the rest of it. But you approved that as a legitimate claim on behalf of Mr Johnson, didn't you?---By signing that letter, yeah.

You approved the \$9,800 expenditure as a legitimate claim of Mr Johnson's, didn't you?---Yeah. That's the same question you asked me before.

Yeah. What did you understand that expense was incurred for?---Towards the scoping work that he was doing, driving out with the horse trailer.

So was that, as you understood it, the purchase price of the horse float?

---I don't know if it was the purchase price of the horse float.

Well, it says, "Car trailer purchase". What did you understand it related to? The purchase of what?---I'm not a salesman. I don't know.

Yes, but you approved the expense, didn't you?---Yeah.

What did you approve?---Lots of people approve lots of expenses, but that doesn't necessarily make them professed in that area.

10

THE COMMISSIONER: But the point about it, Ms Cronan, is how could you sign a letter, in effect approving the expenditure of all of these monies as legitimate expenses incurred by Mr Johnson in carrying out his duties as a CEO, if you didn't know what the expenses related to? That's the point that's being made.---It's related to finding out about the schools and whether or not a trailer of that measure would fit into those schools.

20

Well, why was it necessary to actually purchase a trailer in order to carry out that exercise? Why wouldn't you just go and measure the entrance and the turning circle of the school to determine whether or not a vehicle that size would fit?---I don't have the answer to that. I don't know.

Is this the truth of it, Ms Cronan? And I have to put this, because ultimately we're going to have to make a decision, so I need to put this proposition to you. Is this the truth of it? That, by and large, the Board – well, I'll withdraw that. By and large, you, as the chair of the Board, simply accepted at face value every expense that Mr Johnson put in front of you?---No, we didn't accept everything that he put in front of us.

30

MR HENRY: You see that entry to which I was referring you of \$9,800? ---Yeah.

It refers to a car trailer purchase, correct? Do you see that?---Possibly. It says those words. But I don't know that that's what that is.

Can you provide any explanation why GLALC would pay for the purchase of a car trailer but not own the car trailer?---I have no answer. I don't know.

40

Well, can you provide any reason why GLALC would pay for a car trailer and give it to Mr Johnson?---Again, I don't know.

And you didn't know at the time at which you signed the letter? Is that what you're saying?---I didn't know. I don't understand. I'm confused.

Is that a convenient time, Commissioner?

THE COMMISSIONER: Yes. We might take the morning tea adjournment and we'll resume at about 10 to 12.00. Thank you.

SHORT ADJOURNMENT

[11.32am]

MR HENRY: Ms Cronan, before the break I was asking you about a letter of 18 December, 2014. Do you recall that?---Yeah, kind of.

10 And there was – you gave some evidence about expenses in connection with a horse float or trailer. Do you recall?---Yeah.

Was there any discussion at the meeting before you signed the letter of 18 December, 2014 about the transportation of corpses using the trailer or the horse float?---Very vaguely I remember something and of course the last few weeks of listening to everybody get up and talk about it hasn't helped to, to expand on that but from my memory all I can remember is one such instance where somebody had approached Jack in relation to using his vehicle of some fashion, I'm not sure which fashion – which vehicle it was or whatever, to help them transport a, a body back to, back to home where they needed to inter it.

20 And is this something Mr Johnson said at the meeting on 18 February?
---Possibly. I can't remember exactly where he said it.

All right. Do you recall Ms Provest remaining upset at the time at which she signed the letter?---No, I don't remember her being upset at the time she signed the letter.

All right.---I remember that - - -

30 THE COMMISSIONER: Do you recall - - -?---I remember that she was upset when she arrived at the meeting.

Do you recall Ms Provest saying words to the effect, this is in relation to the expenses, I didn't come down in the last shower, or something to that effect?---No.

40 Don't recall that?---No. She did say something but I don't recall what it was.

MR HENRY: Do you remember Mr Tobler saying anything to her, that is, Ms Provest?---Yeah, but I don't remember what it was either.

You heard her give evidence to the effect that Mr Tobler verbally attacked her. Do you recall hearing that evidence?---I do.

Does that accord with your recollection?---As I said, I don't remember what, what was actually said but the tone was, was normal, normal voice.

I'm sorry?---The tone was normal voice, it wasn't - - -

THE COMMISSIONER: Whose tone?---Rohan's, Mr Tobler's.

MR HENRY: I'll ask you – you can hand back volume 41, Ms Cronan. Do you remember in September, 2010 Mr Johnson going to a conference in Hawaii?---Vaguely, yeah.

10 Now, do you recall discussing the costs associated with him attending that conference with Ms Maltby?---With Ms Maltby?

Yes.---No.

Do you recall agreeing with Ms Maltby that Mr Johnson's flight expenses would be paid for attending this conference, do you recall that?---No.

Excuse me. Did you approve the flight expenses associated with Mr Johnson's attendance at the conference in Hawaii?---I'm not certain like,
20 I don't know. I can't say with certainty.

My understanding of your evidence is that you were never involved with the approval of expense claims by Mr Johnson. Is that accurate?---Yeah.

In relation to the conference in Hawaii did that position change?---No.

So you didn't approve the expense claims associated with him travelling to Hawaii and back for the conference?---Possibly not. That's probably why I can't remember it.
30

I'm sorry?---I said possibly not. That's probably why I don't remember it. It's foreign.

I'm not suggesting that you necessarily did approve the expense claims. I'm asking you whether you did.---I can't answer that. I don't know.

Well, you've got no recollection of approving the expense claims?---No.

And you've got no recollection of speaking to Ms Maltby about that?---Not that I can recall, no.
40

All right. I'll ask for you to be shown volume 22 at page 90.---Page 90. Somewhere in the middle. Sorry, I'm getting in the road. Thank you.

You should have in front of you, Ms Cronan, a letter on Waawidji letterhead of 8 December, 2009 to Mr Cavanagh.---Yeah.

Is that what you have?---Yeah.

Have you seen this letter before?---Yeah.

When did you first see this letter?---I can't remember to be quite honest. I'm not sure whether – is this one of the – is this the letter that they put in their complaint? I can't remember. I know I've seen it I just can't remember where.

10 Right. The complaint to which you're referring is the complaint that was the subject of the extraordinary Board meeting on 20 January, 2012. Is that right?---Yeah.

So was it in that context - - -?---Yeah.

- - - that you first saw this letter?---Yeah.

You will see that the letter is a letter pursuant to which DLALC retains Waawidji for a fee.---Yeah.

20 Now, were you ever asked to approve Waawidji entering into this retainer agreement with DLALC?---No.

Was the Board ever asked?---Not that I can recall.

I rather understand from your evidence that you only became aware of the existence of this retainer after it had been - - -?---Yeah.

- - - executed.---Yeah.

30 And that was in about January of 2012?---Yeah.

All right. Excuse me, you can hand that volume back, Ms Cronan, and I'll ask for you to be provided with volume 10, please, at page 99.---Ta. Yeah.

This is the minutes of the Board meeting of 20 January, 2012. Is that what you're looking at?---Yeah.

And you'll see in the minutes there's a reference at about halfway down the page - - - ---Yeah.

40

- - - to "This issue has been ongoing since 2009."---Yeah.

"There is concern amongst the Board that this is more widespread, dealings through other LALCs." Can you see that?---Yeah.

Now, a moment ago you referred to DLALC.---Yeah.

Am I correct in understanding that the reason for this extraordinary Board meeting was because a complaint was made concerning Waawidji's retainer with DLALC?---It wasn't just about that, but, yeah.

Well, what else was it about?---Well, it was making all sorts of allegations, and it was reporting to – it was actually a letter to ICAC attached to it as well.

10 THE COMMISSIONER: But that was, in substance, the complaint that was made by DLALC, wasn't it?---Yeah, yeah.

MR HENRY: You see it says, "This issue has been ongoing since 2009."
---Yeah.

What's "this issue"?---I think it refers to the complaint within the Deerubbin complaint. Because it spoke about it in there, about starting earlier on in the piece. Although I don't know how valid it was.

20 Is the reference to 2009 a reference to the year in which the retainer letter, to which I've just taken you, was dated?---Possibly. Possibly. I can't say for certain.

Were you the person who called this extraordinary Board meeting?---Yes.

And what was the sequence of events that led you to do that?---Jack came to me with a copy of the ICAC letter, or the letter from Deerubbin chairperson addressed to ICAC, that he had somehow come across. And basically said, "This is doing the rounds and you need to know about it."

30 All right. And then you called a meeting, is that right?---Not straightaway.

All right. What happened next?---I got some legal advice first.

I see. And - - - ---And I also met with deputy.

Sorry?---I also met with the deputy at the first available opportunity.

Who was that?---Rohan Tobler.

40 Where did you meet him?---At Macca's.

Do you say - - - ---McDonald's. McDonald's at Prestons. But it was a little while after. I had to wait for him to come back off leave. This was a bad time of year. People go away.

Do you say that you met him on the day of this meeting, before the meeting?---No, not on the day.

Was it - - - ---Not on the day of this meeting. I met him probably about two weeks beforehand or something. Two weeks before this meeting.

I see. So you say you'd been made aware of the complaint against Mr Johnson a couple of weeks before the meeting?---Yeah.

10 What prompted you to call the meeting when you did, then, if you waited for several weeks?---Because I needed to get legal advice. That's one of the reasons why I waited so long, because I wanted to make sure that I knew where we stood, basically, before doing anything. And, yeah. I didn't finish that answer, did I? What was the rest of the question? I forgot it, sorry.

I was asking you what prompted you to call a meeting on 20 January when you did, given that you'd known for several weeks about the complaint? ---Yeah. Yeah. 'Cause I needed to get the legal advice first and put other things in action as well.

Could Ms Cronan please be provided with Exhibit G5.---Yeah.

20 So this is a letter, is it not, signed by you and dated 20 January, 2012? ---Yeah.

I'll just wait for it to come up on the screen. All right. So you should see it on the screen now.---Yeah.

Ms Cronan, now, you'll see on the first page of the letter you summarise, in subparagraphs A to E - - - ---Yeah.

30 - - - the complaint - - - ---Yeah.

- - - that was made.---Yeah.

And you'll see in subparagraph A - - - ---Yeah.

- - - you say you've "provided consultancy services to DLALC through consultancy arrangements between DLALC and your company Waawidji, without the consent of the Board". Do you see that?---Yeah.

40 Now, was the first time you learned of this consultancy arrangement when Mr Johnson provided you with the complaint that you've referred to? ---Yeah, didn't I say that before?

All right. If you look at the next subparagraph, B.---Yeah.

It says, "Waawidji was paid fees in the amount of \$50,000 in relation to the sale of land at Hazelbrook." Do you see that?---Yeah.

Was the first time you became aware of that fact when Mr Johnson provided you with the complaint, shortly before the date of this letter?---Yeah.

All right. You'll see on the second page, you say at the top of the page, "Under no circumstances should the above be considered an exhaustive list of the allegations against you."---Yeah.

"It's merely a summary provided to you."---Yeah.

10 Do you say, with the benefit of having read this letter, that the allegations extended beyond the DLALC complaint, if I can call it that?---Possibly, yeah.

And then you go on to notify Mr Johnson that he's to be suspended with pay until further notice. Do you see that?---Yeah.

Now, that occurred on 20 January, 2012.---Yeah.

20 Presumably you sent this letter after the conclusion of the Board meeting on that day. Is that right?---Yeah.

And then, at the Board meeting, you'll see, if you go back to the minutes, at volume 10, page 101.---Yeah.

You'll see motion 12.---Yeah.

30 Motion 12 says, "To employ John Mero as a consultant to investigate on corporations side of Gandangara group, and the allegations contained in DLALC complaint." Do you see that?---Yeah.

Do you recall whose suggested Mr Mero as the person to conduct the investigation?---I think I did.

I'm sorry?---I think I did.

Right. And why did you choose him?---Because he was already somebody who was independent of the administration and familiar with the Board and the structure of the organisation and I think that might be it actually.

40 Was he not also familiar with Mr Johnson?---He knew Jack, yeah, but not knew-knew. That sounds stupid. Sorry. They weren't friends or anything like that.

Your evidence is that Mr Mero provided training every six months to the GLALC Board. That's right isn't it?---Yeah.

And Mr Johnson organised the training. Correct?---Yeah.

And - - ?---Mr Johnson also understood that Mr Mero worked for the Board not for, not for the administration.

Yes, but the arrangements for the retainer of Mr Mero to conduct the Wollongong training sessions were arrangements as you understood it between Mr Johnson and Mr Mero. Isn't that right?---No, it was up to Mr Johnson's office to organise for the training for the Board.

10 Yes, but Mr Mero was getting paid presumably to conduct these sessions if you're right every six months. Isn't that right?---Yeah. Yeah.

So Mr Mero had an interest didn't he in keeping a relationship on foot of a commercial nature with Mr Johnson. Isn't that right?---No. He didn't work for Mr Johnson, he worked for the Board.

20 THE COMMISSIONER: Am I right in thinking that all the contact with Mr Mero in terms of the organising of the Board's training, all of that negotiation and contact was carried out through Mr Johnson?---I'm sorry, can I get you to repeat that.

All of the negotiation and contact with Mr Mero in relation to the provision of training to the Board, all of that was carried out through Mr Johnson? ---Through Mr Johnson's office, not necessarily with Mr Johnson.

Well, insofar as Mr Mero was concerned, his point of contact was Mr Johnson, it wasn't with every member of the Board. In terms of his engagement as a consultant his contact was with Mr Johnson wasn't it? ---No. First instance he would contact Tina which was Jack's assistant.

30 I'm sorry, say that again.---Tina, Jack's assistant.

Yes, but Ms Taylor would ring Mr Mero on Mr Johnson's instruction would she not?---Yes.

And then for the purposes of determining what kind of training the Board needed Mr Mero would speak with Mr Johnson wouldn't he?---Yeah, to some degree, yeah.

40 Well, to – he wasn't obtaining instructions from Ms Taylor was he?---(No Audible Reply)

He was retained by Mr Johnson for the purposes of training the Board. ---Yeah, but there was also input from the company secretary as well.

Well, in terms of the content of the training?---Yeah.

But all of that was relayed through Mr Johnson was it not?---Yeah, yeah.

MR HENRY: And Ms Taylor didn't have any authority to retain Mr Mero to do anything did she?---No.

Only Mr Johnson had that authority didn't he?---Yeah.

All right. Do you still consider that Mr Mero was an independent person to conduct the investigation?---Yes, I do.

10 Do you accept that he had an incentive to keep on good commercial terms with Mr Johnson?---No.

You don't suggest do you that the training that Mr Mero provided stopped being provided by January, 2012?---No.

If you go to page 102 please, Ms Cronan. I'm sorry, I withdraw that. The previous meeting of 20 January, 2012 those minutes are signed by you on page 101.---Yeah.

20 Did you create the minutes?---I think I might have but I'm not sure. I think I might have.

All right. If you go then to page 102.---Yeah.

These are said to be minutes of a meeting of 27 January, 2012.---Yeah.

Now – excuse me – motion 1 said, “The Board resolves to revoke Jack Johnson's suspension subject to the terms outlined in the letter to him dated 27 January, 2012. Do you see that?---Yeah.

30 Now, do you say there was or wasn't a meeting on 27 January, 2012 at which this resolution was passed?---I, I think there was a meeting and after listening to all the evidence over the last few weeks it has thrown me around a bit and I have to admit that at this particular moment in time I'm really topsy-turvy with it but there was a meeting.

Who do you say attended the meeting?---I say that Rohan Tobler attended.

40 Right.---And everybody else by phone of some fashion. So they were rang individually and then sent a text message for them to respond to after they've had their discussion over the phone.

THE COMMISSIONER: So sorry, when you say they were rung individually, do you mean to say that you and Mr Tobler rang each Board member and you had a discussion with that one Board member?---Either he or I, yeah. So we didn't, we didn't both speak to each one of them but either he or I rang a Board member and basically gave them the rundown on what was happening and all the rest of it and that we needed to get a vote

from the whole of the Board and that, you know, a text will follow. You need to, you know, basically vote which way you want to go - - -

So the - - -?--- - - - based on this information.

Right. So the extent to which there was some discussion between either you or Mr Tobler with that Board member, other Board members weren't privy to that discussion, it was done in a serial fashion?---Yeah.

10 MR HENRY: And what information did you have by 27 January that – excuse me – prompted you to ask the Board members to change their position in relation to Mr Johnson's suspension?---I believe we had an interim report at that stage.

Right. And that told you what?---Right this minute I can't remember exactly but it cleared him, it cleared him enough to go back to work while a further investigation was taken out.

20 So by 27 January, 2012 the investigation was ongoing was it?---The investigation had cleared him enough to go back to work and he signed a declaration in relation to acknowledging that.

I see. Do you see motion 2. It says, "The Board agrees to Tina Taylor returning to work with full IT access"?---Yeah.

Why was Tina Taylor – I withdraw that. Sorry, if you go back to page 100 you will see it says at the base of the page on motion 10 - - -?---Yeah.

30 - - - "Tina Taylor be granted leave with pay for a period of six months reviewable and that she remains accessible to the investigator".---Yeah.

Now, can you recall why that motion was passed?---She was pregnant at the time.

And then seven days later the motion on page 102, motion 2 is, "The Board agrees to Tina Taylor returning to work with full IT access".---Yeah.

40 How does that fit in? Or why was that done, given the reason why she was given the leave?---She was given the leave because she was pregnant at the time and because it was traumatic for her.

Sorry, what was traumatic?---It had the potential to be traumatic for her.

Yeah, but what?---The whole allegations and all the rest of it that was going on.

I see. If you look at page 102.---Yeah.

There are Board members in favour of the motions.---Yeah.

Now, who did you speak to of those Board members?---I can't remember exactly who I spoke to. I know we spoke to each and every one of them, but I don't know which ones I spoke to. I can't remember.

You see these Board members who did not respond?---Yeah.

10 Do you recall making attempts to speak with Mr Bloomfield and Ms Wade?---Yeah.

And did you get hold of them or not?---It says that we didn't get a response back from them. I'm guessing that we either didn't talk to them or they chose not to participate.

What about Wendy Maybury and Dorothy Shipley?---Yeah. It says that they're not in favour, so I'm guessing that they responded in the negative.

20 Yes, but do you recall speaking to either of them?---No.

Do you recall why they weren't in favour?---Obviously because they didn't agree with it.

Yes, but do you recall any explanation given as to why?---I don't recall.

Now, if you go back in the volume to page 62.---Ah hmm.

You'll see a document that just says, "Chairperson to Sign."---Yeah.

30 And all the minutes of meetings that follow page 62 in this volume are contained in a folder headed "Chairperson to Sign", and if it assists you, I can provide you with a copy of the folder.---No.

Do you recall this folder?---Vaguely, yeah. I don't remember the flag on the front of it, but I remember a Chairperson to Sign.

40 All right. Well, the contents of it, Commissioner, are the same as what follows on page 62. So I won't tender it because I don't want to duplicate things. But you'll see, Ms Cronan, following page 62, there are selected minutes of Board meetings, but not all of the minutes of Board meetings. ---Yeah.

Do you agree with that?---Yeah, I suppose. Yeah.

Well, and you signed the various minutes of the Board meetings.---Yeah.

Except the last set of minutes, which commence at page 124. The minutes for 18 February, 2013 meeting.---Yeah.

Now, did you sign all these minutes at one time, as in one after the other, or did you sign these minutes as they were drawn up after the relevant meeting?---If you're asking if I used to do a couple at a time, yeah. I did. They weren't always available straightaway.

Well, my understanding of the evidence is that the minutes were drawn up either before the relevant meeting and used as a template for the purposes of the meeting.---Yeah.

10

Or by the commencement of the next meeting and included in the Board papers. Is that right?---I'm sorry, can I get you to repeat that?

Yes. Correct me if I'm wrong, but the minutes for Board meetings were drawn up either before the relevant meeting that was upcoming, for the purposes of being used as a template for the meeting. Was that one use of minutes?---Yeah.

20

Or the minutes were drawn up for a meeting after the meeting, but prior to the next Board meeting, and were included in the Board papers for the next Board meeting.---The minutes were never done after the fact.

All right. So the minutes were always drawn up before the meeting. Is that what you're saying?---An old template of minutes would be used for the current meeting, and it would be adapted as we went.

So by the end of the meeting, are you saying, the minutes were drawn up for the meeting?---Pretty much, yeah. Yeah.

30

Right. And did you sign the minutes that night?---No.

Did you wait until the next meeting, at which the minutes had been approved?---Accepted, yeah.

And then you would sign the minutes?---That's the only time to sign the minutes.

Well, what I'm rather wondering is, in relation to this folder, Chairperson to Sign - - - ---Yeah.

40

- - - were these minutes, was this folder used by you routinely as minutes were created, and you signed them? Or not?---It wasn't used routinely. That indicates on a regular basis.

Yes.---Yeah. No, it was usually if I had fallen behind with them, for whatever reasons, Tina would get them all together and bring them to me.

And then you'd sign a series of minutes at the one time?---Yeah. Yeah.

And in relation to the minutes behind the Chairperson to Sign coversheet, at page 62, is there any reason why these particular minutes of selected meetings are included in the folder for you to sign?---Why are you calling them select meetings?

Well, for example, if you look at page 63.---Yeah.

10 There's a meeting of 3 May.---Yeah. And then 5 July.

The next meeting is 5 July.---Yeah, which is two months later, yeah.

Then September.---Which is two months later, yeah.

Yes. Bear with me.---And then November, which is two months later.

Do you say this is a complete set of minutes?---We met bi-monthly.

20 Yes. But there were meetings before 3 May, 2010, weren't there?---Well, there would have been.

Yes.---We didn't just start meeting one day in May.

Well - - - ---There should have been. Where are they?

30 THE COMMISSIONER: Regardless of whether there was some before May 2010, I'm sorry, the existence of this folder with those minutes in the folder seems to suggest that the folder was produced at some stage for you to sign all of the minutes in that folder, which tends to contradict the evidence you gave previously about your signature being appended to the minutes on each subsequent Board meeting. Do you understand?---I'm not quite getting it, I'm sorry.

A minute ago you said that you signed the minutes as an accurate record of the meeting.---Yeah.

40 At each subsequent Board meeting, when the Board confirmed that the minutes of the previous meeting were accurate, that was when you signed them. You said that was the only time to sign them. Do you remember saying that?---Because I was indicating, because Mr Henry was saying at that stage, "Do you sign them before the meeting?" basically. And I was saying, "No, after they'd been ratified is when you would sign them."

Yes. And so - - - ---But that's not necessarily when I did sign them. It could be later on.

All right. Well, if it was later on, then this question arises. There's more than half a year's worth of Board meeting minutes in this folder.---Ah hmm.

Was there an occasion when this folder was given to you with all of those minutes in it?---Quite possibly.

Because you hadn't previously signed them.---Quite possibly. I can't remember exactly, but quite possibly.

10 MR HENRY: Do you recall who gave you the folder?---It would have been Tina, because Tina would have had to make sure that there was a full set of minutes in the main filing system.

Well, in relation to the minutes in this folder, did you sign any of the minutes in this folder prior to being presented with the folder?---Possibly. I don't know.

Because you will see the minutes span – the minutes that you signed span from 3 May, 2010 on page 63 to 10 December, 2012 on page 121.---Yeah.

20 About two and a half years' worth of minutes.---Yeah.

Well, did you sign all of the minutes in this folder for the first time at the one sitting if I can put it that way - - -?---I don't think it would have been. Not that long a period.

30 Well, can you recall why you were provided with the folder when you were for the purposes of signing?---It would have been so that Tina could update and her filing and that was probably because there was an AGM around the corner or something, something like that, something that makes a difference. Because at an AGM you may not have the same Chairperson or the same Board even so then you would need to finalise all your paperwork and stuff.

If you go to page 124 - - -.---Ah hmm.

- - - you will see a set of minutes dated 18 February, 2013.---Yeah.

And the provision for the signature is on pages 127 and 128.---Ah hmm.

You haven't signed those minutes.---Yeah.

40 Is there a reason?---Not the one – not one that I can think of off the top of me head now, no.

If you look at page 127 - - -.---Yeah.

- - - you will see motion 18.---Yeah.

It says, "The Board receives, notes and accepts the pecuniary interest declaration lodged by the Chair, Cinderella Cronan, with regard to her interest in Cinderella Consulting Pty Limited." Can you see that?---Yeah.

What was Cinderella Consulting Pty Limited doing in February, 2013?---I was doing land claims for the, for the – well, not so much land claims as restructuring the, the, the information in regard to land claims for the Land Council.

10 So you were doing that?---Yeah.

What's that got to do with Cinderella Consulting Pty Limited?---Because I put it through my company.

When you say you put it through your company, what do you mean?---I mean my company was doing the work. I was doing the work as part of my company.

20 So did you have an agreement with a Gandangara company, when I say you – I withdraw that. Did Cinderella Consulting Pty Limited have an agreement with a Gandangara group company?---Yes.

Which company?---GMS.

And was it a written agreement?---It never made it to paper.

Right. So what, do you say GMS paid Cinderella Consulting Pty Limited for work performed by you?---Yes.

30 And when did that practice commence?---I can't remember the exact date but it was very short-lived.

Very short-lived, what do you mean by that?---I mean, I think it was only like two invoices.

I see. So this practice only subsisted for a short period of time you're saying?---Yeah.

40 All right. And do you recall how much money Cinderella Consulting Pty Limited was paid by GMS?---Not off the top of my head but my representative has, has all the information that you may require.

Why did you structure your employment arrangements in that way with GMS?---Because I was already working in my employ that I have now.

Sorry?---I was already working.

Yes.--- Yeah, and I - - -

THE COMMISSIONER: You mean you were working full-time?---Yeah, yeah.

MR HENRY: I see. So this was a part-time arrangement. Is that what you're saying?---Yeah, yeah.

I see. Pardon me for one moment.---Yeah.

10 All right. They're my questions for Ms Cronan. Thank you, Commissioner.

THE COMMISSIONER: Can I just ask you, Ms Cronan, do you recall the evidence you gave that your understanding was that at no time was any of the entities subject to the control of the GLALC?---Yeah.

Just as an example, can we just assume for present purposes that there was – that the transport entity was running transport services for the community. ---Yeah.

20 Did they or did that company purchase or lease vehicles in order to run those services?---Okay. It purchased vehicles I believe.

Right. And where did it obtain the funds to purchase those vehicles? ---From New South Wales Transport funding is my understanding.

And was that the whole of the funding that they required to purchase the vehicles?---That I couldn't - - -

30 They didn't have funding - - -?---I couldn't tell you.

- - - from any other source?---I'm not sure. I'm not sure. I think so but I'm not sure.

So just for argument sake, if the transport entity made a decision to purchase a vehicle which was inappropriate for the community's needs are you – is your understanding that GLALC had absolutely no way of influencing or disapproving of that decision made by the Board of the transport company? ---Gandangara LALC? No, they couldn't do anything about that company.

40 Nothing at all?---Other than through their membership. The members could do something about it, the Land Council couldn't.

But the members surely would be in the position of having to express their disapproval to the Board of the relevant company?---At the very next AGM.

And the Board of that company was exactly the same Board as GLALC wasn't it?---Yeah.

So if there was any conflict about how the money was to be spent - - -?
---Ah hmm.

- - - you had the same Board members who made the – or approved the decision in relation to the expenditure being asked to review that decision in another capacity. Is that what you're saying?---Can I get you to repeat that, sorry. Didn't quite get it.

10 The Board members of each of the entities was exactly the same Board members as the GLALC.---Yeah.

If the members wanted to express their disapproval of the expenditure of funds by one of the entities they would do that by saying to the Board of the relevant entity we don't like what you're doing. Is that right?--- Yeah.

But then that Board to the extent that it could be reviewed, that decision could be reviewed was exactly the same Board as every other entity?
---Yeah.

20 So the members couldn't go to the GLALC and say we're unhappy about what this Board is doing - - -?---Yeah.

- - - because it was exactly the same Board?---That's correct. However they could not vote that same Board in the next election.

30 Well, I understood that – correct me if I'm wrong, I understood that the Board members were simply told when these entities came into existence that they would become – that they would automatically become Board members of each of the entities. There was no voting by the members in relation to the Board of each of those entities. Isn't that right?---The members elected a Board at the Land Council.

I understand that.---Yeah. And by that – by virtue of that then they would automatically be on the Board of the entities.

Right. So the members had absolutely no control over who constituted the Board of each entity?---Well, they did because they need to be cautious who they vote in at the Land Council level.

40 Yes, but the Board they voted in at the Land Council automatically became the Board of each of the entities so it follows doesn't it that the - - -?
---Yeah.

- - - that the members couldn't do anything about the Board's decisions in relation to the expenditure of the entity funds?---Yeah.

They had no way of expressing their disappointment in relation to the expenditure of those funds?---They had the same power as they would have

had under the Land Rights Act because under the Land Rights Act they wouldn't have any say over – if it was the Land Council that was spending those funds they still wouldn't get a say until the AGM and then they would remove the - - -

All right. Well, perhaps I'm not making myself clear. Anyway, does anyone have any questions of Ms Cronan? Mr Mack.

10 MR MACK: Ms Cronan, my name's James Mack and I appear on behalf of the Registrar of the Aboriginal Land Rights Act.---Yeah.

I want to ask you a few questions. First of all, in relation to your understanding of the Office of the Registrar.---Ah hmm.

Do you accept that the Registrar of the Aboriginal Land Rights Act works for the Office of the Registrar of the Aboriginal Land Rights Act?---Yeah.

20 And do you accept that the New South Wales Aboriginal Land Council is a separate entity from the Office of the Registrar of the Aboriginal Land Rights Act?---Yeah.

All right. And so in your affidavit, when you speak of the Registrar being the Registrar of the New South Wales Aboriginal Land Council, that is a mistake?---I think so.

All right.---I hadn't noticed that, but I think - - -

I might just take you to your affidavit.---Yeah.

30 In particular to paragraph 53.---Sorry, thank you. You said 53? There is no 53, apparently.

Paragraph 53 of your affidavit? It's on page 17.---Yeah.

And the first line reads, "The restructure of the GLALC group was done in open consultation with the Registrar of New South Wales Aboriginal Land Council, Mr Stephen Wright."---Yeah. That's an error.

40 That's an error. And is it also an error in paragraph 54?---If it's the same thing, yeah.

And I need you to read the final reference, in paragraph 61.---Yeah. Hang on.

And it's about the second-last sentence, starting with "however".---Second-last sentence on - - -

On page 19, paragraph 61.---Yeah.

In about the middle of that - - - ---Yeah, yeah, yeah, yeah. I've found it.

And you say, "With full transparency and in open communication with NSWALC."---Okay.

Should we accept that that's a reference to the Office of the Registrar of the Aboriginal Land Rights Act?---I think so.

10 Okay. All right. Ms Cronan, I want to ask you a few questions now about the restructure of GLALC.---Yeah.

In your affidavit you say that it was primarily GLALC's responsibility to correspond with Mr Wright, the Registrar. That's correct, isn't it?---Yeah.

And although you had a desire to be a part of these discussions, you did not have time to do so?---Yeah.

20 And when you refer to the restructure, you're referring to a new structure which included the Gandangara entities, is that correct?---Yeah.

And can I take you to page 133.---Of my affidavit?

Of your affidavit, the exhibits. This is page, this is - - - ---133, did you say?

- - - the affidavits of the meeting of 5 July.---Did you say 133?

Page 133, yes.---Yeah. Yeah.

30 And in your affidavit you say this was the first Board meeting after the incorporation of many of the entities in the GLALC group.---Yeah.

And at the top it says there the minutes of GLALC, GDS, GMS, GTS, GHS, MG, GFF and others. Do you see that?---Yeah.

So when you refer to restructure and a new structure, you mean to include all of those entities listed at the top of those minutes?---Yeah.

40 All right.---Whichever ones are relevant at the time, yeah.

And GMS is a reference to Gandangara Management Services?---That's correct.

Okay. Can I just take you back to your affidavit, where you annex, at paragraph 60, page 19.---Yeah.

And there's a sequence of correspondence. And the first item of correspondence is a letter that Mr Wright had written to GLALC on 29 June, 2010.---Yeah.

And do you accept that in February 2010 the Board resolved to adopt the new structure of GLALC?---I'm not sure if that's the correct date you've just cited.

10 All right. I'll take you to it. At paragraph 52 of your affidavit.---Yeah.

It begins, "In a meeting of February 15, 2010, the Board resolved to commence the restructuring of the GLALC group."---Yeah, yeah.

So you accept that? So you're not aware of any correspondence between the Registrar and GLALC before 29 June, 2010, are you?---Are you suggesting in relation to the companies prior to 2010?

20 What I'm asking you, Ms Cronan, is whether or not you're aware of any written correspondence between the Office of the Registrar and GLALC prior to the document you've annexed at paragraph 60A, on 29 June, 2010?
---Not that I'm aware of at the moment.

But you also accept that on 15 February, 2010, the GLALC Board had resolved to commence the restructuring of GLALC?---Yeah.

So when you say that the restructure of GLALC was done in open consultation with the Registrar, that can only cover the period, to the best of your knowledge, from 29 June, 2010?---Yeah.

30 Do you recall giving evidence yesterday and on Thursday about when GMS was incorporated?---Yeah.

And your evidence was that GMS was incorporated on 16 April, 2010.
---I can't remember the date, but, yeah, go on.

If the witness can be shown volume 3, page 208.---Yeah.

And you'll see the registration date there of 16 April, 2010.---Yeah.

40 So you accept that GMS was incorporated on 16 April, 2010?---Yeah.
Yeah.

All right. And can I take you to page 190 of your affidavit. And I'll return to this sequence in more detail, perhaps, after lunch. But I just want to make this point.---Yeah.

At page 190, there's a draft letter to Stephen Wright from Mr Johnson, dated 2 August, 2010.---Yeah.

And if you turn over to page 191.---Yeah.

You'll see it's printed two pages per page.---Yeah.

But on the left-hand side there's a subheading "GLALC's Preliminary Responses".---Yeah.

10 And it says, "Entities of which GLALC is a member/shareholder."---Yeah.

And there's two entities listed there.---Yeah.

Gandangara Development Services and Gandangara Estate Stage 2 Proprietary Limited.---Yeah.

And you accept, looking over the page, that there's no mention of, for example, GMS?---Yeah.

20 So, notwithstanding that GMS was incorporated in April 2010, the information that's going to the Registrar identifies that the restructure only includes two entities, and neither of them are GMS.

MR DOCKER: I object to this question.

THE WITNESS: Yeah? And?

THE COMMISSIONER: Well, the documents speak for themselves. What's the objection, Mr Docker?

30 MR DOCKER: The witness is being asked by reference to the Registrar's document.

THE COMMISSIONER: No, it's Mr Johnson's memo to the Registrar.

MR DOCKER: Oh.

THE COMMISSIONER: Mr Johnson's letter to the Registrar of 2 August.

40 MR DOCKER: Yes.

THE COMMISSIONER: 2010.

MR DOCKER: Well, she's being asked for her interpretation of Mr Johnson's document.

THE COMMISSIONER: Well, the documents are next to her affidavit, so one would assume that she is aware of the content of the annexures. But in any event there's nothing objectionable about the question.

MR MACK: Commissioner, I note the time. That might be a convenient – I have a little bit longer to go, but - - -

THE COMMISSIONER: Yes. Is that right, Ms Cronan? That you appreciate that the memo on 2 August, 2010 doesn't refer to GMS?---Yeah.

Right. All right. Well, we'll resume at 2 o'clock. Thank you.

10

LUNCHEON ADJOURNMENT

[1.00pm]