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INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE RUTH McCOLL AO
COMMISSIONER

PUBLIC HEARING

OPERATION KEPPEL

Reference: Operation E17/0144

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON THURSDAY 24 SEPTEMBER, 2020

AT 10.00AM

Any person who publishes any part of this transcript in any way and to any person contrary to a Commission direction against publication commits an offence against section 112(2) of the Independent Commission Against Corruption Act 1988.

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

THE COMMISSIONER: Yes, Mr Robertson.

MR ROBERTSON: Commissioner, can I first apologise for the delay. There was a technical issue with the live stream, which is why we're starting now, at about 10.25, rather than the intended time of 10.00am. The program of witnesses for today is, first, Mr McLaren, and then my learned junior Mr Brown will call Mr Duffy. I suspect we'll have a fairly full day of evidence today. Mr Wood and Mr Allsopp tomorrow. A witness list for next week's proceedings will be uploaded fairly shortly. It's been prepared in draft and the witnesses are being notified of the proposed dates. I expect that, during the course of the day, a witness list will be uploaded for that purpose.

Next, during the course of the proceedings yesterday, transcript page 272, line 44, you made a direction requiring Ms Cartwright to produce certain photographs that you said that she took on her telephone. That required a response by 9.00am this morning. In light of the events of yesterday, it may be that that particular direction was overlooked. In my submission, you'd stand over that direction until 2.00pm today. In the meantime, Commission officers will make some inquiries, and if it's necessary to further stand over that direction for a further period, that may be necessary. But my present application is for that direction to be stood over until 2.00pm this afternoon.

THE COMMISSIONER: Very well. I stand over the section 35(2) direction I gave Ms Cartwright yesterday to produce photographs to 2.00pm this afternoon.

**VARIATION OF DIRECTION TO PRODUCE: SECTION 35(2)
DIRECTION GIVEN TO MS CARTWRIGHT YESTERDAY TO
PRODUCE PHOTOGRAPHS IS STOOD OVER UNTIL 2.00PM THIS
AFTERNOON.**

MR ROBERTSON: May it please the Commission. Can I then assist to clarify some matters arising out of yesterday, in particular in relation to the hard drive, because there has been some public reports and comments that suggest that there may have been some misunderstanding by some as to precisely what occurred yesterday in connection with that hard drive. As you recall, Commissioner, I submitted to you that you should make a direction under section 35(2) of the Independent Commission Against Corruption Act, requiring Ms Cartwright to produce the hard drive that was the subject of her evidence briefly before lunchtime. While the Commission, as you know, Commissioner, is entitled to issue search warrants in certain circumstances, and is also entitled to apply for a search warrant from an authorised officer, I didn't submit that the Commission should exercise that power because I thought it was appropriate and sufficient, for the purposes of the investigation, for a direction to be issued

to Ms Cartwright so that Ms Cartwright could produce the hard drive. And you'll recall, Commissioner, that I asked questions of the witness, who, in effect, said she was in a position to go back to her office in Parliament House and pick up that particular hard drive.

After that direction was given, Commission officers attended Parliament House with Ms Cartwright to assist her in complying with the direction. But to be clear, the Commission officers were not attending for the purposes of exercising or executing any search warrant or what some people sometimes colloquially refer to as a raid. What they were doing was attending to assist Ms Cartwright in complying with the direction that was issued to her.

As I indicated yesterday, during the course of the luncheon adjournment, an issue was raised by officers of the Legislative Assembly – and, I should make clear, entirely appropriately to raise this issue – as to whether the hard drive should be properly regarded as the property of the parliament, rather than being an item in the possession, custody or control of Ms Cartwright personally. And it was suggested by those officers that, in the circumstances, it would be appropriate that a direction be issued to the Clerk of the Legislative Assembly herself, with a view of resolving any question as to whether Ms Cartwright was in a position to respond to the direction personally, or whether it was properly directed to the parliament itself or an officer of the parliament. And you will recall I indicated, immediately after lunch, that I had recommended to you during the luncheon adjournment that a direction of that kind be made and you made that direction and it was communicated to the parliament.

Since that occurred, the physical hard drive has been delivered to the physical possession of the Commission. The officers of the Legislative Assembly have insisted and identified – again I make clear in an entirely appropriate way – that it's important to ensure that anything that the Commission does in relation to the hard drive is done in such a way to not affect the rights and privileges of the parliament. And one of the things that started to occur yesterday, as I understand it, but in particular during the course of today, is to establish a process or to adopt a process at the Commission end and at the parliament end to ensure that any issues of parliamentary privilege are identified and appropriately dealt with. I just wanted to make that clear.

40

THE COMMISSIONER: Yes.

MR ROBERTSON: As to the circumstances that had arose, it was Ms Cartwright and the Clerk of the Legislative Assembly responding to a direction issued to them requiring production of documents. It's not correct to describe anything that happened yesterday as the execution of a search warrant or a raid or anything of that kind.

THE COMMISSIONER: Yes.

MR ROBERTSON: Those are the only matters of housekeeping from my perspective. I propose to call the next witness. The next witness is Angus James Hugh McLaren. I call him.

THE COMMISSIONER: Yes. Mr McLaren, please come forward and stand in the witness box. Do you wish to – please remain standing, Mr McLaren. Do you wish to take an oath or make an affirmation?

10

MR McLAREN: I'll make an affirmation, thank you.

THE COMMISSIONER: Please be seated. Ms Fleeton, you appear for Mr McLaren?

MS FLEETON: Yes, that's correct, Commissioner.

10 THE COMMISSIONER: Have you explained his rights and liabilities under the Independent Commission Against Corruption Act?

MS FLEETON: I have, Your Honour, Commissioner.

THE COMMISSIONER: Does he seek a section 38 declaration?

MS FLEETON: Yes, he does.

20 THE COMMISSIONER: Very well. Please listen to me very carefully, Mr McLaren. You will find there should be a glass there for you.---Thank you.

As a witness, you must answer all questions truthfully and produce any items described in your summons or required by me to be produced. You may object to answering a question or producing an item. The effect of any objection is that although you must still answer the question or produce the item, your answer or the item produced cannot be used against you in any civil or criminal proceedings or subject to two exceptions in any – I repeat – in any criminal or disciplinary proceedings. The first exception is that this protection does not prevent your evidence from being used against you in a prosecution for an offence under the Independent Commission Against
30 Corruption Act, including an offence of giving false or misleading evidence, for which the penalty can be imprisonment for up to five years. The second exception only applies to New South Wales public officials, and I don't believe that you fall into that category. You're self-employed, as I understand, is that correct?---Correct.

40 Very well. I can make a declaration that all answers given by you and all items produced by you will be regarded as having been given or produced on objection. What that means is you don't have to object to each answer or the production of each item, and I gather you wish me to make that declaration?---Yes, please.

Very well.---Thank you.

Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by this witness and all documents and things produced by him during the course of his evidence at this public inquiry are to be regarded as having been given or produced on objection

and there is no need for him to make objection in respect of any particular answer given or document or thing produced.

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

THE COMMISSIONER: Yes, Mr Robertson.

MR ROBERTSON: Mr McLaren, can you state your full name, please?
---It's Angus James Hugh McLaren.

And you're a real estate agent and farmer, is that right?---Correct, yes.

Your farming operations are conducted through the Redwin, R-e-d-w-i-n, Farming Trust?---That's correct.

And your real estate business activities is through Miller & James (Real Estate) Pty Ltd?---Correct.

And I think you might have a third business as well, is that right?---Oh, I'm a director of several companies, investment companies that own properties across Australia but - - -

Is it right to say the principal activities in terms of day-to-day work is either through the trust that I identified or the Miller & James (Real Estate) company that I identified?---Yes, that's right.

You're the brother of Julian McLaren, is that right?---That's correct.

Do you know Mr Daryl Maguire?---I do.

How did you come to know Mr Maguire?---Well, I first met him in 1995 when he was the, not the owner but the franchisee, I think, of Harvey Norman in Wagga Wagga and I bought a table off him and he, yeah, we bought the table through him. there were a few issues with the table and he was very good to deal with. But that's before he was a politician obviously and then I then was formally introduced to him by Julian in about 2012/2013.

Have you ever had any business relationship with Mr Maguire?---No.

Has Mr Maguire ever sought to involve you in any matters associated with your business or either of them?---Yes, yeah. So that's basically why Julian put me in contact with him, I guess, in the first instance. We at that time were starting to get a lot of inquiry from potential Chinese investors. Almost every week we were getting phone calls and we were struggling to understand, you know, exactly what they wanted. Their culture, their language, all that type of thing was very difficult, and I must have been
10 discussing it one day with Julian and he said, "Look, you need to talk to Daryl." And so, I can't remember how I contacted him but we ended up having a discussion and, you know, Daryl mentioned that he had, you know, expertise in Chinese investment, et cetera, and there might be an opportunity to do some deals somewhere down the track through some of his friends.

Now, doing the best you can, around about when did that introduction happen between your brother Julian and Mr Maguire?---Yeah. Well, I think it would be sort of the end of 2013, maybe early 2014 but I'm not a hundred per cent sure.

20

THE COMMISSIONER: Were these inquiries from Chinese people in relation to your real estate sales?---Yes. They, they were people that might potentially be looking to purchase agricultural assets in Australia.

Thank you.

MR ROBERTSON: And as you understood it, what was Mr Maguire offering to assist you with in relation to those issues?---An introduction.

30 An introduction to who?---To these potential Chinese investors.

So he would potentially link you up with people who have associations with China or might be Chinese nationals as people who might be interested in purchasing land in and around areas that you operate. Is that right?

---Correct.

And did any introductions of that kind ultimately occur?---Yes. So there were a couple at least. The first one was with a gentleman named Jimmy Liu or Lee, I can't remember his second name to be honest, who was
40 looking to set up a, a, a hay, export hay business in the Riverina. So he was looking for potential sites that he could base this development.

And could that be a Jimmy Liu, L-i-u?---Yeah, Jimmy Liu. That's it.

Do you recall what organisation Mr Liu - - -?---United World Enterprises.

And so what arrangements, if any, did you ultimately participate in for Mr Liu?---Well, none at all. I think he looked at a property that we had on

the market at the time with a colleague of mine, not with me, and nothing came of it, and I think at a later stage, maybe a year or two later, he was looking to potentially lease some silos from GrainCorp and he wanted us to sort of negotiate that deal, but nothing came of it in the end.

So is it right to say from that particular introduction to Mr Liu it didn't ultimately end up in any deal or arrangement that your firm made any money out of?---No, none at all.

10 And I think you might have said there was a couple of examples. Was there another example on top of Mr Liu?---Yeah, there was. Another time that Daryl called me and he put me in contact with one of his Australian friends who had a Chinese "business person" who wanted to invest in capital, cattle properties across Australia and had a lot of money to spend, so I wasted a couple of days looking at properties in Northern New South Wales for this guy and, and nothing eventuated there either.

20 Do you recall who that particular individual was?---Well, I never, I never, I can't remember the name of the guy. I should. I can't remember the name of the Australian guy. I spoke to him quite a bit and definitely I never spoke to the Chinese, the ultimate sort of investor behind it, no.

If while you're sitting in the witness box today you remember that name, just let me know and we'll add to it.---Yeah, okay.

But your dealings were principally with the Australian individual. Is that right?---Yeah, that's right. He was just an old friend of Daryl's.

30 Any other examples other than those two, Mr Liu and the Australian and Chinese entities or individuals to whom you just referred?---No. I mean, sorry to cut you off there. Sorry. I had a couple of vague conversations with Daryl where he was always talking, you know, a pretty big game. He had people who wanted to spend a lot of money but nothing, nothing specific.

40 Did you ever travel to China with Mr Maguire for the purposes of attempting to do a kind of deal of the kind that you've just identified? ---Well, I travelled to China with Daryl in 2014 and that was to a conference or a seminar that United World Enterprises had organised in, in Shanghai and there was a delegation going from Australia, and for some reason Daryl thought it would be a good idea if I tagged along. I was quite interested in going to China at the time so I, I did go on that trip, and believe it or not, we also travelled to Wuhan. I'd never heard of that before.

I think we all have now.---Yeah, exactly. And we visited a sorghum distillery up there which was quite interesting, so there was Australian sorghum being exported by UWE into China, so yeah, I thought it was quite an interesting trip, to be honest.

And I take it that one of the reasons you attended on that trip is you were hoping that there may be opportunities to assist your business by meeting up with potential contacts and the like. Is that right?---Correct, a hundred per cent.

And as you understood it, that was one of the reasons Mr Maguire was inviting you over for that trip as well?---Yeah, I guess so, yes.

10 But that particular trip didn't result in any particular deals. Is that right?
---No.

Other than the examples that you've identified, have there been any other business activities of the kind that we've just discussed that you were introduced to by Mr Maguire or had some association with Mr Maguire in relation to?---Yes. So the only other business deal that Daryl introduced me to was he introduced me to a lady called Maggie Wang who ran an immigration business, so Daryl thought it would be a good idea if I chatted to her, because as I mentioned to you earlier, I thought that we lacked the capacity within our business to service these Chinese people, and the idea of, you know, when I was talking to Daryl about that he said, "Well, you need to talk to Maggie. She might be able to help you with this."

20 And what else, if anything, did Mr Maguire say about the kind of help that Maggie might be able to assist you with?---Oh, he was pretty vague with that to be honest. I can't remember.

So at least in the first instance it was in the nature of an introduction - - -?
---Correct.

30 - - - rather than a more detailed explanation as to what Maggie might be able to help you with. Is that right?---That's correct.

And at least at the time of that introduction, what did you understand Maggie's role to be? Did you understand her to be an immigration agent or running an immigration business or what was your understanding as to where she fit in the scheme of things?---I wasn't a hundred per cent sure, to be honest, but probably as an immigration agent, it wasn't clear.

40 And so do you recall how that introduction first came about? Was it just a general discussion with Mr Maguire and he said, "Go and speak to Maggie," or was there some other email communication or something like that? What's your recollection?---No, he, he actually spoke to a bloke who worked for us and still works for us, or as a partner now in the business, but he first mentioned it to a guy called Bruce Holden, and Bruce mentioned it to me and said, "Oh, Daryl was saying that, you know, you should contact this lady, she, she might be able to help the business."

So is it right then that the first introduction to Ms Wang was not directly from Mr Maguire but was rather through Mr Holden. Is that what you're saying?---Yeah, well, it went, Daryl was talking to Bruce Holden and then Bruce mentioned it to me and then I rang Daryl about it.

Do you recall roughly when this took place?---It, it would, it, probably March 2014.

10 Can we have up on the screen, please, page 6 of volume 12. I'm going to put a document up on the screen that's in front of you and I hope this will assist you in identifying the date and what happened.---Yep.

You'll be happy to know that I'm about to show you an email exchange from March of 2014.---Oh. Do I win a prize?

No.---Okay.

20 Now, this particular email chain we start from the top. Can you see there at the top an email from Mr Holden to you, 17 March, 5.41pm?---From Daryl Maguire?

At the top, just have a look at the top. Mr Holden to you.---Oh, yes, okay.

Just near where there's a little hand.---Yes, sorry, yes.

So that's the email that it looks like you're receiving.---Yeah.

30 And the email address you can see there, the Gmail email address, that's your Gmail email address. Is that right?---That's correct.

Can I just note while it's on the screen, Commissioner, I note that there's some personal information that's on the screen. You've made a direction under section 112, so that material of course shouldn't be published, although I note that those particular mobile numbers aren't being published at the moment on the live stream, so there shouldn't be any practical issues with that, but I thought I should just note that for the benefit of the transcript.

40 THE COMMISSIONER: Yes.

MR ROBERTSON: And of course it will be fixed in the tendered version of this document when I tender it in a moment. You then see, Mr McLaren, an email from Mr Maguire to Mr Holden with a copy to Sining Wang. Is that another name for Maggie Wang, as you understand it? Or do you not know one way or the other?---You mean the subject?

I'm just referring you to the next email in the chain.---Yeah.

So can you see Mr Maguire?---Yeah. From Daryl.

From Daryl to Mr Holden.---Yes.

And then it's copied to Ms Wang.---Oh, okay.

It says "Sining Wang". But just to assist you, if you look down a little bit further, about seven-tenths of the way down the page, you'll see - - -?---Oh, I see.

10

- - - that it says "Maggie Sining Wang".---Yep, yep.

So what looks like has happened, at least as I see it, is that Mr Holden has forwarded to you an email exchange between Mr Maguire and him. Do you see that there?---Yes, yep, yep, for sure.

And you see there it says, "As per our discussion, Maggie's number is," and then it's set out. "Bruce Holden" and the number set out. "Please contact with each other to discuss employment program." Do you see that there?

20

---Mmm, mmm.

So is it consistent with your recollection - - -?---Yes.

- - - that the first you heard about questions of immigration and employment was that Mr Holden forwarded you probably this email?---Correct, yeah, yep.

And were you saying that after you received this, you gave Daryl a call?
---That's right.

30

And doing the best you can, and I appreciate it was now more than six years ago, what did Mr Maguire say during the course of the telephone call regarding this employment program?---Once again, very vague. Just said that he thought it would help our business and, yep, that's pretty much it.

But what would help your business? Obviously something to do with an employment program, but what did he explain as to what the employment program actually was?---Oh, he was reasonably vague about it, but I think my impression was that we would have people embedded in our business that would have agriculture experience and, and, and be Chinese. So that's exactly what we were looking for at that stage.

40

So as Mr Maguire was explaining it to you, what, this was just a way of potentially sourcing Chinese nationals who might be able to assist your business?---Hundred per cent.

Was there any discussion about how it would work as to things like who would pay who, who would identify the candidates, et cetera, et cetera?
---No, none at all.

So it was just more in the nature of here's a general thing that might be able to help you. Go and speak to Ms Wang regarding the details.---That's my memory of it.

10 Did you ultimately speak to Ms Wang regarding the details?---Yes.

And so how did that come about?---That I can't remember. Well, I assume I would have called her in the first instance, but it may have been via email, and then we would have met face-to-face, I think the first time in Wagga.

And do you recall approximately when that happened? Was that soon after receiving the email chain that we've just seen? Or was there some delay?
---Yeah, but I would have thought it would have been within a month or two.

20 And is your recollection that that happened in Wagga? Or is it possible that it happened somewhere in and around Sydney?---It could have happened in Sydney. Spend a lot of time in Sydney.

Does a meeting in Double Bay, or in and around Double Bay, ring a bell?
---Yeah. Well, yeah, I did meet Maggie on several occasions in Double Bay, yep.

30 Do you recall whether the particular meeting that you're now referring to may have happened in Double Bay, or is it your best recollection that it may have happened in Wagga?---I can't remember, to be honest, but it could easily have been Double Bay.

I'll show you a document that might assist you in a moment. But before I do that, I tender the email from Mr Holden to Mr McLaren. 17 March, 2014, 5.41pm. Pages 6 and 7 of volume 12, public inquiry brief.

THE COMMISSIONER: That will be Exhibit 177.

40 **#EXH-177 – EMAIL HOLDEN TO MCLAREN DATED 17 MARCH 2014**

MR ROBERTSON: Can we go, please, to volume 20, page 196. While that's coming up, can I tender a bundle of documents that I intend to take this witness to. I will describe it as the Angus McLaren immigration bundle, pages 187 to 295 of volume 20 of the public inquiry brief.

THE COMMISSIONER: That will be Exhibit 178.

#EXH-178 – ANGUS MCLAREN IMMIGRATION BUNDLE

MR ROBERTSON: Now, Mr McLaren, I'm now showing you an email of 25 March, 2014, 4.38pm, from you to Ms Wang. Do you see in the first paragraph it says, "Thank you for travelling over to Double Bay on Friday to meet with me"? Do you see that there?---Yeah, yep, I do.

Does that assist in your recollection that the first meeting was probably in Double Bay?---Oh, well, it, it probably was but, like I say, I can't remember.

And so just to assist you to get your bearings, the first email that I showed you was from 17 March, 2014.---Oh, so it's the 25th. Okay. It definitely - - -

20 The Friday would have been 21 March, 2014, a few days later.---Sure.

And here is an email of Tuesday, 25 March, 2014.---Okay, yeah.

So it's consistent with your recollection?---Absolutely, yes.

That it at least might have taken place in Double Bay?---Yeah.

I'll just take that off the screen for a moment. Can we focus on the meeting on Friday. So you may have called up Ms Wang to organise the meeting, is that - - -?---Yes.

And do you recall on that telephone call or email or other communication, did you discuss any details of this employment arrangement or immigration scheme or was it just the mechanics of setting up a meeting?---That I can't remember, but I assume the mechanics of setting a meeting.

And then in terms of the meeting itself, which looks like it happened on Friday, 21 May, what did - - -

40 THE COMMISSIONER: March.

MR ROBERTSON: Sorry, of March, I'm so sorry. 21 March, 2014. What did Ms Wang say to you regarding this question of an immigration scheme or employment program?---Yes. Well, basically she would have explained it to me as a scheme that put Chinese nationals looking for visas into our business for three months, obviously so they could obtain a visa. She, I would assume at that first meeting she would have explained that there

would have been no net cost to the business, and in fact, we would also be paid a fee for doing so.

I just want to be clear about a couple of aspects of what Ms Wang said to you regarding the immigration arrangement. First, are you clear in your mind that these placements would be for a period of three months?---Yes, in the first, yes, yep. At that time.

10 So were you about to say in the first instance, what do you mean by that?
---Well, a year or two later, there was someone that was in a scheme that was longer than that.

I see.---But at that stage it was three months.

So at least at that stage Ms Wang made it clear to you that your obligation as a potential employer would be three months and three months only, is that right?---Yes, correct.

20 Now, I take it that, as you understood it, if you wanted to keep the employee on for a bit longer because they were a good employee, you would be allowed to do that?---That's right.

But as far as you understood it, your commitment as an employer would be three months and not more than three months, is that right?---That's right.

And you also said something about no net cost to you as an employer?
---Yeah, so, yeah, that's right. So all the costs of payments to the employee, et cetera, super, all that would be paid for by the immigration agency.

30 By the immigration agency?---Yep.

Did she explain where that money would ultimately come from?---No. She never really went into that but, I mean, I, I just assumed that it would be the applicant that was paying them and that's where the money would be coming from.

40 Is that something that she ever explained to you or is that just an inference that you're drawing from all of the circumstances?---No, I think it may be just an inference but I, I can't recall.

But you appreciate as an experienced business person the money's going to come from somewhere?---Yeah, that's right.

And the inference you draw is that it must have come from the visa applicant?---Yes, yeah.

To be clear, it didn't come from your side of the enterprise?---No, it did not.

And so as you understood the position, at least from that first meeting, you had an obligation to employ a particular employee for three months and no longer, correct?---Yes, yes.

But the cost associated with that – wages and superannuation and any other on-costs – would not ultimately be paid by you?---That's right.

10 They would be paid by someone else, be it the visa agency, the immigration agency or perhaps someone else who is paying the money to the immigration agency, is that right?---That's right.

And that was an understanding you took away from the first meeting, is that right?---Yes.

20 And you referred to a fee that might be paid as well. Can you just explain what you're referring to by a fee?---So for employing these people, we would be paid a fee by the immigration agency over and, over and above the cost, the, the costs of employing them so that we could, we would actually, yeah, make a profit out of it.

So this was a pretty good deal. You get a potential employee who may be able to assist you with your business, you had no obligation beyond the three-month period, you're going to be paid an amount of money to cover the wages, superannuation and on-costs et cetera, and you're going to get a fee on top of it. Is that a fair assessment?---Yeah, no, I thought it, I thought it was a good deal, yes.

30 Now, in terms of the fee, what was the fee that was discussed at the first meeting?---Look, I, I don't know whether it was discussed at the first meeting but I think it was like \$30,000 per applicant.

And \$30,000 per applicant or \$30,000 per successful applicant?---Per successful applicant.

So if you employ a particular person, they get the visa, they're there for the three-month period, you have no money going out the door in terms of employment on-costs and things of that kind, and you make \$30,000 on the top. Is that how it works?---That's correct, yeah, yes.

40 Were there any other payments involved, for example if the visa applicant was not approved would you be entitled to any money for your time, or if it fell over, you don't get your \$30,000, you get nothing at all?---I think there was, the way it worked was there was a \$15,000 payment up front, so if the applicant fell over you wouldn't get paid.

THE COMMISSIONER: Any more.---Any more.

The balance of the 30,000?---So the balance, correct.

MR ROBERTSON: As at the time of that first meeting, did you understand this to be a legitimate scheme in the sense that Ms Wang is suggesting that there will actually be an employee who will turn up on a full-time basis for a three-month period?---One hundred per cent.

10 So at least at that first meeting you thought, well, this is a pretty good commercial deal, we've got no risk, potential reward and I'm going to make a little bit of money and I'm going to have a human sitting in my office for a period of at least three months who might be able to help me with my business. Is that right?---Yeah, yeah, exactly, that's right, but not, you know, at least at that first meeting, at least for the first 12 months after I'd known Maggie.

20 But do you agree that in the real world, ultimately, whilst there were some visa applications that were successful, you didn't have humans turning up in your office for a full three-month full-time period?---Oh, I a hundred per cent agree with that, but I didn't realise that was happening for another 12 months or so.

And so we'll come to the details of that in moment.---Okay.

But at least at the time of the first meeting you thought, looks like a pretty good commercial deal, and what's more I'm going to get a Chinese national who may be able to assist me in my business for a period of at least three months. Is that right?---Correct.

30 It probably follows from what you've already said, but I take it that Ms Wang – I withdraw that. Did Ms Wang explain to you the particular visa classes or categories that she was considering seeking to adopt for the purposes of one or more of your businesses?---Oh, look, once again reasonably vaguely, or maybe I just don't have the memory of it, but I do know that one of the, one of the requirements was it had to be in a rural business or a regional business.

And so did you think you might be referring to a scheme called the Regional Sponsored Migration Scheme?---That sounds like it.

40 And did you understand that under that scheme you had to sponsor the visa applicant as an employee of your business?---Yes.

Is that something that Ms Wang explained to you?---Oh, she may have.

But you at least understood, didn't you, that you would have to fill out some paperwork to say that I'm going to employ this person?---Yes, yes, yep.

But I was going to employ this person for what, the period of three months, is that the idea?---Oh, well, yes, that, well, that's what Maggie had told me.

Did Ms Wang explain to you that in relation to the Regional Sponsored Migration Scheme it was necessary for the position to be located in regional Australia?---Yes.

Did she explain to you that it was necessary for you to demonstrate a genuine need to employ a paid employee to work in the position under the employer's direct control?---Yes.

- 10 Did she explain to you that under that scheme it would be necessary to demonstrate that the particular position could not be filled by an Australian citizen or Australian permanent resident?---Well, I'm not sure whether she explained that to me or whether I read it somewhere in some of the documents, I, yeah, I just can't remember the specifics.

That was something that eventually came to your knowledge, what, before you filled out the first bit of paperwork, is that, is that right?---I'm not, I'm not sure.

- 20 Let me deal with that in parts. The requirement that the position could not be filled by an Australian citizen or permanent resident was something that ultimately came to your knowledge. Is that right?---Well, yeah. I mean I don't, I know that now, but I'm not sure when I learnt that.

Yes. So it's something you know now.---Yes.

You may have found it out at the first meeting, you may have found it out by reading it in a document or you may have found it out at some later stage. ---Subsequently, yeah.

- 30 And at least at the moment you can't fix in your mind exactly where in the process.---I'm sorry, I can't, no.

Do you think you found out about that requirement before you filled out any paperwork in relation to the Regional Sponsored Migration Scheme?---Oh, look, I, I must admit, I was pretty, pretty vague on the paperwork.

But you at least knew - - -?---I didn't do a lot of research.

- 40 I'm sorry, say again?---Sorry. I didn't do a lot of research.

But you at least knew that the idea of the Regional Sponsored Migration Scheme was to attempt to help the regions when the regions need employees but can't get them by way of either local employees in the local area or perhaps other Australian citizens and residents who were happy to move to the country?---Yeah, that's a, that's a fair statement.

That's the whole idea of the scheme as you understood it.---Yes.

And that was at last one of the schemes that Ms Wang was suggesting that you may get involved in. Is that right?---Yes.

Did Ms Wang make it clear to you that one of the requirements for that migration scheme was for the employee to be employed on a full-time basis for at least two years?---No.

10 And is it right that your evidence is that Ms Wang made it clear to you or indicated to you that there'd be a three-month commitment and not more than a three-month commitment?---That's right.

Do you recall whether she raised any other immigration schemes other than the Regional Sponsored Migration Scheme with you?---No.

Does the Employer Nomination Scheme, does that ring a bell?---No.

20 Something different to the Regional Sponsored Migration Scheme.---I just can't remember.

Is it right to say that you didn't closely analyse the requirements and the paperwork, that was something that you left Ms Wang to do?---That's what I left to the immigration agency, yes.

And you trusted Ms Wang to give you the advice necessary in relation to the requirements of the various visas. Is that right?---Yeah, that time I did, yes.

30 Is it fair to say that Ms Wang took principal responsibility for organising the paperwork?---Yes.

She drafted a number of the documents that were necessary?---All of them.

You signed at least some of the documents. Is that right?---That's right.

But is it right, then, that all of the documents associated with the scheme weren't drafted by you, they were drafted at the migration agent's end? ---That's right.

40 Does that include things like employment agreements?---Yes.

So you may have signed some documents, but the source of the documents itself was the immigration agency. Is that right?---That's right.

Presumably you provided at least some information to allow that to happen?---Correct.

Did you check those documents carefully to make sure that they were accurate?---I would have, I think I would have read through them, yes.

But did you check to ensure that they're accurate or you just read through them, sign them and away you go?---I can't remember whether there was any toing and froing with the documents to make sure that they were correct or not.

Well, are you saying that all of the documents that you signed were completely correct or are you saying it's possible that you signed some documents that were not completely correct?---The latter.

10

But is it right that on each occasion the drafting of the documents didn't come from your end, it came from Ms Wang's end?---That's right.

You may have provided some input into the content but the actual drafting itself was at Ms Wang's end. Is that right?---That's right.

In terms of the potential employees themselves, so the visa applicants, who sourced those individuals?---Ms Wang's organisation.

20

So it was never a case where you said, well, here's a potential Chinese national who might be appropriate for the business. It was done at the migration agency's end. Is that right?---That's right.

Did you ever advertise for any particular position that ended up being filled through Ms Wang?---Yes. We didn't do the ad, so they did the ads.

So as part of arrangements to lead ultimately to the visa or at least the visa application, it was at the Ms Wang end that coordinated the advertising process?---That's right.

30

In terms of the ads themselves, did you draft the text of the ads or did they do it?---They did it.

In terms of uploading the ads, putting them on websites and things of that kind, was that done at your end or was that done at their end?---Their end.

In terms of dealing with any responses to the ads, so applications in other words, was that dealt with at Ms Wang's end or at your end?---I did have a couple of emails turn up one day inquiring about the job and I rang Maggie about it and she said don't worry about it.

40

Doing the best you can, did she just say don't worry about it or did she say - - -?---Oh, words to - - -

- - - send them to me so I can deal with them or what was the - - -?---Oh, look - - -

- - - the message that she was communicating by that?---I can't remember exactly. My, my memory is that she, she said don't worry too much about it, words to that effect, but I may be, maybe I did forward them on to her. I wouldn't be a hundred per cent sure but I don't think I did.

Was the message you took from that particular conversation that Ms Wang is asking you essentially just to ignore those adds?---Yeah, that's right.

10 She was making it clear that you shouldn't respond to them specifically.
Correct?---That's right.

And you may well have ultimately forwarded them, but at the very least you or your business didn't make contact with the individuals with a view to saying we're not considering you or come in for an interview or anything like that?---That's right.

20 In relation to particular visa applicants, did Ms Wang or anyone from Ms Wang's end ever present you with a series of CVs and say, "Well, look, here are five potential employees, say, who might be appropriate. You'll need to choose which one and then we can take the process on"? Or was she saying, "Here's a particular one applicant"?---The latter again.

So is it right that there's never a case where Ms Wang or anyone from her end says, "We've advertised this job for you. We've found five applicants. Four of them are Aussies but they don't look appropriate to us. The final one is a Chinese national. We think that one looks pretty good, so why don't we go down that path?" You ever have a situation like that?---No.

30 You said a little while ago that you ultimately understood that the positions under the Regional Sponsored Migration Scheme would need to be positions that cannot be filled by an Australian citizen, an Australian permanent resident. Do you remember giving that evidence? As being one of the requirements for that scheme.---Yes.

So how did you know that any particular position could not be filled by an Australian citizen or permanent resident?---How did I not know?

40 Well, how did you know?---Well, I guess I left all that up to Maggie, to be perfectly honest, and I wasn't that involved in it.

So is it right to say that, in terms of making sure that your business qualified, ticked all the boxes you needed to tick, that was something you left in Ms Wang's hands rather than doing that yourself?---That's correct, yes, yes.

So it wasn't a case where you had already gone out to market to try and find people in Wagga or nearby or people who were prepared to move to Wagga to work for your business and then said, "Right, we don't have an available

employee. Let's look at the Regional Sponsored Migration Scheme.”
Rather, you'd been introduced to Ms Wang and Ms Wang has taken care of all of those matters, including whether or not they can demonstrate that the position can't be filled by an Australian citizen or an Australian permanent resident. Is that a fair understanding of what went on?---Yeah, that'd be, that's a fair, yep, absolutely a fair summary.

10 Is it correct that a number of employees were ultimately – or visa applicants at least – were ultimately the subject of sponsoring by one of your companies or nomination by one of your companies?---Yes.

Were they all organised through Ms Wang?---Yes.

Was one of those individuals a Mr Steven Xu, X-u?---Yes.

So, as you understood it, Mr Xu obtained a visa, is that right?---Well, actually, I don't know whether he did obtain his visa in the end.

20 Did Mr Xu attend and work in your business on a full-time basis for three months or more?---No, unfortunately not. So he did come out to meet us. I picked him up in Sydney and we drove out to Temora and we spent a day discussing agriculture, potential investments, that type of thing, before he flew back to Wagga – sorry, Sydney from Wagga. And then the only other time I've met Steven was later on that same year. I caught up with him in Beijing. I was on a trip doing something over there and I went out for lunch with him and he took me back to his office. And I did have various conversations via email with him about investments, but he never actually worked in Temora, no.

30 So you met Steven twice in the flesh, is that right?---Correct.

You had a few communications with him by email as well?---Yeah, definitely, yep.

40 Did he actually do very much for your business at all?---No, he did stuff-all, to be honest. But, yeah, it was very disappointing because he was the guy I thought was, he's the guy – and if you look at that original email, if you have a look at the, you know, the heading on that email, it's his name. So he was the guy that we thought we were going to get, and he would be working in our business. He had unbelievable résumé and we thought he could, he was going to be pretty valuable for us.

But he basically didn't turn up is the long and short of it.---Yeah, pretty much.

He turned up once but he certainly wasn't there as the full-time employee for three months or more that you were hoping or expecting.---Let's just say he wasn't very committed.

Did you pay Mr Xu any money?---Yes.

And how much, or based on what, on what period?---Yeah, look, for the three months I think it was roughly around \$60,000 including superannuation.

And where did the - - -?---May have been a little less than that. 55.

10 Now, where did the money come from to pay the sixty-odd thousand dollars?---Maggie paid me the money.

How did that money get delivered to you? Was it an electronic funds transfer or how was that done?---No. It was delivered in an envelope and it was cash.

Where physically were you at the time that that occurred?---Well, there was a couple of transactions. I can't remember whether that was in Wagga or on Sydney. It would have been in either place.

20

So either in Wagga or on Sydney, Ms Wang attends on you, gives you an envelope that has something like \$60,000 in cash in relation to the employment expenses. But is it a little bit more in light of what you said before, namely that you would be entitled to a fee under some of these schemes?---It could have been a little bit more, but there was more than sort of one payment. Like, it was, it wasn't all paid at the same time.

Well, let's deal with the overall amount first and then we'll come back to the circumstances.---Yeah, okay.

30

So at least in relation to Mr Xu, in one or more payments, you receive an amount that reimburses you or reimburses your company for the sixty-odd thousand dollars that you paid Mr Xu during the three-month period of time?---Yes, that's right.

So that's one lot of money as it were?---Yeah, yes.

There was a separate payment, was there, in relation to Mr Xu by way of a fee?---Yes.

40

And how much was that fee in relation to Mr Xu?---Well, it would, it would have been 30,000 like I mentioned before, and that would have been paid in two separate instalments.

Now, in terms of the payment of wages and like, do I take it that the sixty-odd thousand dollars was put through the books in a formal way through your company?---Not in the first instance it wasn't, no. Oh, sorry, the payment of wages, yes, it was, sorry.

I'm talking about the payment of wages.---Yes, it was, sorry. Yeah, sorry. Yes. Absolutely.

So as far as anyone that looked at your accounts were concerned or audited your books, it looked like there was a full-time employee for three-months period of time being paid on a fortnight basis or perhaps monthly basis. ---Yes.

10 For a three-month period, is that right?---That's right.

And that, you would accept, doesn't reflect the reality. You saw him twice, he did a couple of things for you, but he certainly wasn't a full-time employee of yours for the three-month period?---No. He wasn't a full-time employee. He was, I mean, that's right.

Well, he was a long way from full-time employee.---No, that's right.

20 You met him twice and you exchanged a couple of emails.---No, it was -- that's right. It was more sort of, I guess - - -

And that was about the extent of it.--- - - - a consultancy.

So why did you pay him all of that money, then, given that he hadn't done anything?---Well, it wasn't, wasn't my money, was it, so - - -

It was no skin off your nose at the end of the day?---No, exactly.

30 Because, yes, it was coming out of your bank account in a formal sense and, yes, it was being picked up in the books.--- That's right. Yep.

But you knew that there was going to be an envelope of money coming back to reimburse it in due course?---That's right.

Now, in terms of the fee, the \$30,000 or so, I think you started to say that wasn't put through the books to start with, is that right?---That's right.

That money was also received in cash, is that right?---Yes, correct.

40 How was that money received? Was that received from Ms Wang or received in some other way?---No, from Ms Wang.

And was there any other money that was paid to you or to your company in relation to Mr Xu?---No, not - - -

The sixty-odd thousand dollars and the thirty-odd thousand dollars?---Not that I can recall.

So it was all paid in cash and all came from Ms Wang, is that right?---That's right.

And I think you were saying before that you may have got that in a series of payments over a period of time rather than once?---That's right, yeah. Well, at least two payments.

At least two payments in relation to the \$90,000, it may have been three rather than two?---Yep.

10

But one way or another, all in cash, all from Ms Wang?---That's right.

Do you remember the denominations of the cash? Was it a mix of denominations or was it fifties, hundreds?---Fifties and hundreds.

Always fifties and hundreds?---That's right.

20

And is that the case whenever you received any money from Ms Wang, it always came in large denominations notes like fifties or hundreds?---That's right.

Can we go, please, to page 235 of volume 20, which is now exhibit 178. I think, Commissioner, that particular exhibit may now be uploaded on the public website, so those who are following on the live stream will be in a position to look at that document, if not now, then perhaps sometime relatively soon.

THE COMMISSIONER: Thank you.

30

MR ROBERTSON: Now, Mr McLaren, I'm now showing you a document referred to as a contract of employment. If we just move back to page 208 so I can show you the first page of that document. 208 of volume 20. Sorry, just pardon us for a moment.---That's all right.

Do you recognise this as a contract of employment document between Miller & James (Real Estate) Pty Ltd and Mr Xu?---I do.

40

And it refers to as, and I'm probably pronouncing this wrongly, but Siqin, S-i-q-i-n, Xu. I take it that's the Steven Xu you referred to before?---That's Steve, correct.

And this particular document that's on the screen, did you prepare the text of that document or did someone else prepare the text of that document?---No, that was prepared by Maggie's company.

And do you see clause 1.2, Mr Xu's position is "Deputy general manager." Do you see that there?---Yes, yeah.

Is that an accurate description of the role that you wanted Mr Xu to fill?
---Well, you could have put anything in there, to be perfectly honest. I mean especially these days with some of the titles you see around the, the joint, but I mean he could have been, he could have been a general manager of China Miller & James, I don't know, but that's, that's what Maggie put in there.

So it was Maggie's idea to use that particular title?---Yes.

10 But did you have in mind that this individual would play a relatively senior role in the business?---In my mind his role would be as a consultant advising us on how to deal with Chinese clients and also potentially introducing us to some of his Chinese business associates.

So in the face of that and accepting what you say about titles, lots of people have got warm and fuzzy titles - - -?---Fancy titles.

- - - you didn't have in mind him being a manager in the sense of managing staff or performing a management role in the business?---Never.

20 What you had in mind is he would essentially be the Chinese consultant - - - ?---Correct.

- - - to help you in circumstances where, at least at that point in time, it looked like there was some serious money to be made from Chinese nationals in Australia generally and perhaps also in regional areas, particularly in the farming and resourcing-type area. Is that fair?---Yeah, we were looking for investment.

30 You were looking for investment and you were looking for a Chinese national who might be able to assist you - - -?---That's right.

- - - in identifying and greasing the wheels with potential Chinese national investors.---That's right.

Rather than someone who's actually going to be managing the business - - - ?
---That's right.

- - - as the primary or as the deputy on a day-to-day basis.---That's correct.

40 But I think you said it was Ms Wang who came up with the title that should be put into this document rather than you.---That's right.

The requirements or the desires of the particular individual that you wanted to work for you, the area of expertise and assistance, is that something that you explained to Ms Wang?---Yeah, that's right.

So as at least you understood it, Ms Wang knew the kind of expertise and the kind of employee that you wanted. Is that right?---Yes.

And she then went about identifying an employee who might be satisfactory to you who might be able to achieve the particular roles that you were looking for.---Yeah, yeah, yes.

At least that's how you understood the process was supposed to work.---Yes.

And then back on that document that I had up on the screen, and if we flip to page 211, can you see there there's a date of 30 May, 2014?---Yes.

10

And there's a reference to Mr Xu, 22 May, 2014. Do you have any recollection now as to whether you were signing employment agreements around May or is it possible that you in fact did it at some later time or perhaps some earlier time?---All I remember is that there was a large lag time before, between signing the employment agreement and when this guy was actually meant to start work for us. I'm talking maybe 12 months.

20

Let me try and help you this way then. If we go to page 235 of this particular bundle. So just to help you get your bearings, it looks like the first meeting you had with Ms Wang was on 21 March, 2014.---Yeah.

Which looks like it was a meeting in Double Bay.---Yes.

And I'm now going to show you an exchange a few months later in August of 2014 in relation to Mr Xu. And do you see there that Ms Wang, towards the top of the page, 6 August, 2014, 5.38pm, sends to you and says, "Please find attached for you to review and sign off. It is in a Word document," et cetera. And then refers to Mr Xu as "Our first applicant," et cetera. Do you see that there?---Yeah, I do.

30

And so is it consistent with your recollection, was that this is how you got the draft employment contract for Mr Xu that you ultimately signed?
---Yeah.

Is that consistent with your recollection?---I think that's how it would have happened, yes.

40

Do you think this was the first time you received the draft employment contract with Mr Xu? In other words, in August of 2014? Or is it possible that you received it some number of months earlier?---Oh, seems like it was pretty quick if that, I mean, that last document that said May, where I'd signed it - - -

Well, I'm going to ask you a bit more about that in a moment.---Yeah, okay. Yeah.

Let me perhaps ask it this way. Do you recall how many times you signed an employment contract in relation to Mr Xu? Was it only once or was it

more than once?---No. I can't recall. I would have thought it was only once.

You don't have any specific recollection of signing on more than one occasion?---No.

And if you just have a look a little bit further down, there's an email from you to Mr Goode.---Yes.

10 Who's Mr Goode?---He's our solicitor.

And so is this you forwarding the draft employment contract to the solicitor for any advice that the solicitor might wish to give you in relation to that matter?---That's right. Yep.

And are you clear in your mind that that happened, that request for advice happened before you signed any document in relation to Mr Xu?---Yeah. Actually, I am.

20 You're pretty clear about that?---Yeah. Don't know why I would have asked for it afterwards, though.

Quite so. It would make logical sense - - -?---Yeah.

- - - to ask, at least a sensible client - - -?---Yes.

- - - ask for advice before they do something, rather than ask them for advice after.---Afterwards.

30 I can say from experience not every client fits within that category.---True.

At least on this occasion, at least so far as you can recall, you took the sensible course of saying, "Here's a draft employment agreement. What should we do in relation to that?"---Sure. Yeah, that's my memory.

And if you just have a look at the paragraph towards the bottom, do you see it says, "Our plan would be to employ Mr Xu for three months, which would be at no net cost to us, before letting him go." Do you see that there?---Yep.

40

So that, I take it, is your communicating to the solicitor essentially the arrangement you've already explained to us.---That's right.

As you understood it, in August of 2014, your obligation was three months and no more?---That's right.

But you see it says, "We would have to give him his notice after two months." Do you see that there?---Yes.

So do we take it from that that, as you understood the arrangement, your maximum responsibility would be for three months, but you would actually have to give a formal notice so there was one-month notice to finish it off.
---That's right.

10 And so was your understanding, then, that effectively the employment contract had something in the nature of a probation-type period of three months with no obligation to employ a person after that? Was that the position as you understood it?---That's, yeah, that, that, that's right. Yes.

And then if we can just turn to the next page. We're now 8 August, 2014. You see there you're now asking a question of Ms Wang. If you look at the second paragraph, you're telling her, "Sent the contract over to the solicitor for review, and my only question is I estimate it will cost us \$50,000 to pay for Mr Xu for three months."---Yes.

20 You said a little while ago it may have been a little bit more.---Yeah, yep, yep.

It may have been somewhere between 50 and 60.---Yep.

"Who covers the gap between what we receive from you and what we pay him?" Do you see that there?---Yes.

Do you recall whether Ms Wang provided a response to that particular question?---Well, I think she would have come back and said that they would cover that gap. I was a bit unsure on how it all worked.

30 So is it right to say, as best you can now recall, at least by about August of 2014, you thought you wouldn't be at risk in relation to the three months of wages and on-costs, superannuation and things of that kind, fully reimbursed in relation to that matter, you'd get a \$30,000 fee on top of it, and hopefully you'd get a useful employee who would be there for a period of at least three months?---That's right.

Is that a fair summary of what you understood the position to be?---That is a fair summary of what I thought.

40 And then is it right to say that after this exchange – so after August of 2014, you've got the employment contract, you've sent it off to the solicitor, you've asked an inquiry of Ms Wang – it was only after that point you actually signed an employment agreement in relation to Mr Xu?---Well, I would have thought so.

Well, let me try and help you this way. Just go back to page 200. Now, what I'm going to show you now is a copy of a contract of employment that you produced to the Commission when the Commission requested you to

have a look at your records and see what you had. You'll see this is in black and white.---Yes.

I showed you one in colour. I'll come back to the colour one.---Okay.

But focusing on the black-and-white one which you produced to the Commission, are you fairly clear in your mind that the one that you produced to the Commission was a copy of the one that you actually signed?---No, I'm not clear in my mind, no.

10

And so if you have a look at this document, do you see clause 1.1 says it's a contract for continuous employment?---Yeah.

And we've got "deputy general manager" again, but if we then just turn the page. Have a look at clause 2.7.---Yes.

Do you see there it says "probationary period"?---Yeah.

So that I take it is consistent with what you were explaining before.---Yes.

20

As you understood the position, obligation for three months and it's dealt with effectively as a probationary period. If the employee is good and you want to keep them on and they want to stay on, of course you can continue it.---Yes.

But your commitment as the employer is three months. It's pretty low risk. In fact it's zero risk because you're getting all the money back via Ms Wang. Is that right?---Correct.

30 Have I got that right?---Yes.

THE COMMISSIONER: I see Mr Xu is to be entitled to long service leave. It doesn't seem to me that anything on the face of this would indicate that could ever have been satisfied of the requirements there.

MR ROBERTSON: Well, it's conceivable I suppose that, beyond the probationary period, a seven-year period may have continued, in which case long service leave might accrue.

40 THE COMMISSIONER: Was there any contemplation Mr Xu was going to remain your employee for seven years, Mr McLaren?---Well, I, well, who knows. If he'd actually turned up and he'd been able to bring all this investment and advice and, you know, who knows. But, you know, I think it was unlikely. Well, in fact I mean - - -

MR ROBERTSON: Theoretically possible, perhaps, but in the real world you knew, at least your understanding was hopefully you would get an employee for three months?---That's all I ever thought, yeah.

But the absolute likelihood was it would be three months and no more than that. Correct?---Yeah, in full-time employment but I was hoping that I'd get a contact and someone that we could continue to do business with after that three months, but not necessarily as an employee.

10 And part of the reason for your answer about the three months is that it was clear to you, from what Ms Wang had said to you, that what Ms Wang was seeking to achieve is Chinese nationals being able to get visas in Australia and therefore being able to stay in Australia for a medium- to long-term period. Is that fair?---Yeah, I guess so, yes.

20 This was part of a process, as you understood it, where Ms Wang was attempting to allow Chinese nationals or get visas so that Chinese nationals, who might not otherwise have a right to remain in Australia, to be able to continue to stay in Australia for at least a medium period?---Yeah, I think that was one side of it. I mean, from our side of it we, once again, you know, we were looking for somebody with experience who could help our business dealing with Chinese clients.

20 From your side, the business case is obvious, isn't it? You get an employee for three months, you don't have to pay for them, you get a fee on the top and you might get some Chinese contacts along the way and you might make some money. Correct?---Yes.

That's how you analysed it - - -?---That's right, yes.

30 - - - as a sensible businessman who has businesses in a range of areas. Correct?---Yeah, yeah, sure.

THE COMMISSIONER: We might take a short adjournment now, Mr Robertson. We'll just take a short adjournment for morning tea, Mr McLaren.---Thank you.

15 minutes.---Sure.

SHORT ADJOURNMENT

[11.28am]

40 THE COMMISSIONER: You're subject to your affirmation you have already given, Mr McLaren.---Okay, thank you.

MR ROBERTSON: Commissioner, just before I ask this next question, I'll just indicate I have indicated to my learned friend for Mr McLaren that I am going to ask this question and there is no objection to it, as I apprehended.

THE COMMISSIONER: Very well.

MR ROBERTSON: Mr McLaren, I showed you some emails a little while ago where you had a draft of the employment contract and you sent it to your lawyer for some advice. Do you remember me showing you that and giving some evidence about that?---Yes, yes. Yes.

What did the lawyer say about the employment contract or anything to do with this migration scheme?---Oh, he, he advised us not to touch it.

10 And why was that, just in general terms?---Oh, look, I mean, solicitors are generally very conservative, I have found. So, and he, and he believed, in his view that we shouldn't proceed with it.

So is it right that from the solicitor's view, as you understood it, it smelt a little bit fishy, potentially something wrong with it?---Yeah. I think so, that's right.

From your perspective, at least at that point in time, you thought that was a little bit too risk averse?---Yeah, I've, I've always been a bit of a risk taker,
20 I guess, so - - -

But you now realise, with the benefit of hindsight, that the solicitor was probably right about all of this. Do you agree?---Yeah, I agree.

So at least based on what you now know, and we'll go through some detail, you realise that this was in the nature of a scam?---I do now, yes.

It was in the nature of a cash-for-visa scheme, would you agree with that?
---I would agree with that, yes.
30

Now, can we go back, please, to the employment contract that I was dealing with just before the morning tea adjournment, and can we go, it starts on page 200. So it's page 200 of Exhibit 178. I've shown you this page.
---Yes.

Can we go down some further pages to the signing page, please, which was on page 203. Now, is that your signature around about halfway down the page?---Yes. Looks to be.

40 And is it your handwriting where it says, "Printed name and date"?---Looks to be.

And doing the best you can, did you sign this document on 13 August, 2014, which is the date that we can see on the page?---I, I couldn't tell you, I can't, my memory is not - - -

So far as you can recall, you didn't lie in terms of the date, you didn't post-date it or back-date it, is that fair?---I can't recall. I, I honestly don't remember.

Well, is it your practice to sign documents on, say, 1 May, but instead say some other date that's either later or earlier?---Quite often I sign documents and don't put the date in. I do it all the time.

10 But where you do put the date in, you don't have a practice of putting in some different date, do you?---Oh, maybe a day or two here and there but not, generally not, no, you're right.

So far as you can recall, Ms Wang and no one else said, "Sign this document today but put on some different date," an earlier date or a later date?---Yeah, I can't remember that, sorry.

20 What I'm really asking you to focus on is if you have a look a little bit further up the page, do you see there's a printed date, 22 May, 2014, do you see that there?---Yes, I do.

But then there's a handwritten date by you of 23 August, 2014. I'm just wondering whether you can assist us as to whether you would likely sign this document in or around August of 2014 or whether it's possible that you signed it on some earlier or perhaps some later date?---Oh, honestly, I can't remember.

30 Can we go now, please, to what I will describe as the side-by-side document. So you remember, Mr McLaren, that I first showed you a copy of the employment contract that was in colour?---Yes.

And can I assist you by indicating that that's a copy of a document that this commission has been provided by the relevant government department?---Right.

It's the colour one.---Yes.

The black-and-white one is the one that you provided to the Commission in response to the Commission's request.---Yes.

40 And I'm just going to show you those two documents at the same time and I'm going to show you them side by side and then ask you a few questions.---Okay.

If it's within the operator's ability, can we swap those to the other side of the screen simply so that we can have the -- I'm very grateful. So you'll see there it looks like all of clause 1 position seems to be the same between the two documents.---Yep.

If we can then just scroll down a little bit further, again that seems to be consistent. But if we then keep going further.

THE COMMISSIONER: 2.1 is different, Mr Robertson.

MR ROBERTSON: Yes, see, Mr McLaren, in clause 2.1, in the one on the left-hand side, it says, "Following his 186 visa approval." Does the concept of a 186 visa, does that mean anything to you?---No, it does not.

10 And then if we can keep scrolling down, please. Scroll down on the other side as well. Scroll down a little bit further on the right-hand side. Now, can I just ask you to have a look at clause 2.7 on the colour version on the left-hand side, and have a look at the black-and-white version on the right-hand side. And can you see that they're different? Clause 2.7 on the left-hand side looks like it's the same as clause 2.8 on the right-hand side.
---Sure.

But clause 2.7 on the right-hand side - - -?---Yep.

20 - - - doesn't appear to be on the one on the left-hand side at all.---Mmm, that's a good point.

Now, the one on the right-hand side, the one that's come from your record, you'll see that has that three-month probation period that you and I discussed before.---Yes. Yep. Yep, yep.

30 Is it a fair statement of your evidence that an essential part of the arrangement, as you understood it, was that you would have an obligation for three months and no more than three months?---One hundred per cent.

It was a critical part of the arrangement - - -?---Critical.

- - - that you regarded as essential to you agreeing to be part of the scheme, is that right?---Exactly.

Did you ever seek to delete clause 2.7?---No, I did not.

Did you ask Ms Wang to delete clause 2.7?---No, I did not.

40 The one on the right-hand side?---No, I did not.

Did Ms Wang say to you that she was going to delete the clause regarding the probationary period?---No, she did not.

If she did, what would have you said about that?---Well, I would have been surprised.

Do you recall ever seeing a copy of the employment contract with Mr Xu that did not have a clause regarding a probationary period?---No, I don't.

So doing the best you can, do you see that you didn't sign a version of the employment contract that did not have clause 2.7?---Well, if I did sign it, I didn't notice that it didn't have that clause. If there, if there are two separate contracts, I was never aware of that.

10 So just to be clear, are you able to assist us as to whether you think you signed one or more than one version of the employment contract with Mr Xu?---My memory is I only signed one, but - - -

So your best recollection is that you only signed one. It's possible maybe you signed two, but doing the best you can, it was one and one only?
---Would have thought so.

Do you at least have a recollection of making sure you kept a copy of the documents that you signed regarding Mr Xu?---Yes.

20 Did you, when the Commission asked you to produce your records, did you hold everything back or did you give everything that you had that was responsive to the notice?---I gave everything to them.

And if you assume from me that the only version of the employment contract that you provided in response to the Commission is the one on the right-hand side, the one that has the probationary period, do you agree that – as best as you can ascertain – you didn't sign a version of the employment contract that did not have the probation period clause in it?---Yes, that's right.

30 And, I'm sorry, I had a couple of negatives in the question - - -?---Yeah, yeah, I know, I know.

- - - but the long and short of it is - - -?---Yep, there's two - - -

- - - as best you can ascertain it, the document you signed had the probationary period in it, is that right?---Yes. Yes.

40 And so if we just go on the left-hand side. In fact, on both sides. If we go down to the signing clause, which is a couple of pages on, so you see both of those appear to have your signature, I think. Does it look like your signature on the top left-hand side?---It does, yes.

Did you ever provide Ms Wang with an electronic version of your signature, do you recall?---Actually I mean I could have, but because it's got that little bit of smudge mark under my signature there, that one on the left-hand side, I, I, my electronic signature used to have a bit of a smudge mark under it so quite possibly it's something I'd sent her, I don't know.

So is it right then - - -?---It is possible.

So is it right then that from time to time you signed documents by using an electronic signature rather than getting the pen out and physically signing it?

---Yeah, correct, yeah.

And is it right that you have a recollection that at least one of your electronic signatures actually had a bit of a smudge towards the bottom?

10 ---Yes.

And the smudge that you're talking about, is it a smudge that looks roughly like what we can see on the left-hand side of the screen?---Yeah, it does, or did.

Is it possible that you sent Ms Wang, if not just a file with the signature, some other document that had the electronic signature attached?--- Yes.

20 Do you have a specific recollection of doing that or you just don't recall one way or the other?---No, not a specific, but it is definitely possible.

And are you able to assist as to whether you recall signing any version of the employment contract with Mr Xu with a pen as opposed to electronically? And I appreciate I'm asking you about something that - - -?
---Ah, that's pretty technical.

- - - you may have done six years ago.---Yeah, look, I can't remember.

30 THE COMMISSIONER: But you do recognise your handwriting on the one on the right-hand side?---Yes, definitely, they, yes, they both look like my signature, one hundred per cent they do.

You actually appear to have signed the one on the right-hand side in the position where Mr Xu is supposed to sign and appears to have done so in the one on the left-hand side.---Yeah, that's right, mmm, that's true.

MR ROBERTSON: Now, do you know whether Mr Xu ultimately received a visa?---No, I don't. We were paid at the end so I'm assuming he did, but -

40 - -

Now, after you signed a copy of the employment contract, what was the process after that in relation to Mr Xu?---Okay. So roughly it was another year or maybe longer before his employment began with us, in inverted commas, but you know, I was looking at an email that I sent to Maggie in March 2015 saying, "When is he coming? We're looking for him." We're, we're, we're – we had another business at that stage which was exporting meat into China and I wanted, wanted him to help with that business and so

even at that stage, a year after these events, I still fully expected him to be working within our business.

So let's have a look at one of the emails in that context, which is page 262 of Exhibit 178, also volume 20. This is an email from Ms Wang to Mr McLaren, 13 March, 2015, just to help you get your bearings. So do you have a recollection of receiving this email from Ms Wang saying, "We've received notification from the Immigration Department the process for Mr Xu's application is at its final stage?"---Yes.

10

And do you say she says, "Due to the lengthy period in case the Immi Departments call I'll send you some documents we have prepared." Do you see that there?---(No Audible Reply)

It's the second sentence of - - -?---Yeah, I'm just reading it. Okay.

Do you have a recollection as to whether the Immigration Department gave you a call between 13 March, 2015 and when you had notification that Mr Xu might be coming along as an employee?---I don't believe they did.

20

Just for your benefit I'll identify the relevant attachment. If we just go to the next page, 263, we have a copy of a contract of employment which appears to be what Ms Wang was sending you, and we'll just go to the next page as well. I'll note there that probationary period document or probationary period clause exists, clause 2.7. So after that occurred I take it that Ms Wang let you know that Mr Xu would be available for some employment, or what happened after the exchange - - -

30 THE COMMISSIONER: Mr Robertson, can we go back to that document. Mr Grainger, can you please bring that document back and go back to the first page, the emails. Just stop there, please. Mr McLaren, can you see that the email below Ms Wang's email in 2015 is an email from her to you on 6 August, 2014, under cover of which she forwards to you Mr Xu's employment contract, which is about a week or so before the date which appears on the copy that you produced to the Commission?---Okay. Right. Well, that must be that, that, yeah, that time frame works there.

Sorry, Mr Robertson.

40 MR ROBERTSON: And can I indicate for both you and the Commissioner's benefit the particular copy that was attached and we can see that from page 266 of the bundle. If we can just have that on the screen. Go all the way to 266 which is the last page of what appears to be the attachment, Exhibit 178. You'll see there it's of the same form as the one that you provided to this Commission, although without the signature actually on there. You remember that the one that the Commission has obtained from the Department and the one the Commission has obtained from you has a slightly different signing page?---Yes.

This one you'll see that Ms Wang is sending to you just before Mr Xu gets his visa looks very similar to the one that you provided to the Commission, just so you can understand the context of what's going on.---Yeah, okay. Yes.

THE COMMISSIONER: Would it appear as if Ms Wang has forwarded the email of 2014 with the original attachment unsigned?

- 10 MR ROBERTSON: If we go back to page 262, and I note for both the witness's and the Commissioner's benefit the word "attachments" at about point 3 of the page, although it does say zero bytes. I might get someone to double-check this against the metadata, but it looks – at least to my eye – like it's attached again, albeit attached in the context of the August 2014 email. But we'll check to see whether there's some metadata that sheds some more light on that matter.

THE COMMISSIONER: Very well. Thank you.

- 20 MR ROBERTSON: So there's a delay, you can see from the document on the screen, Mr McLaren, a 6 August, 2014 email. Is that the email you were referring to before where you're trying to chase up and say look, I've given your information?---No. There was one, there was one in March of 2015 I was referring to.

But in any event there's delays happening.---Yeah, correct.

You're actually wanting to get on with things.---Yes.

- 30 And Ms Wang ultimately tells you in March of 2015 that the process is in its final stages.---Yes.

And then what happens after that in relation to Mr Xu?---I can't remember the exact timing as to when he started working within, well, for the business or we started paying him I should say. I wouldn't have the exact date. No doubt you guys have got it there somewhere but - - -

- 40 But how did you become aware of the fact that Mr Xu was available to be treated as an employee?---When, when did I become aware that he wouldn't be in the business do you mean or - - -

No, when did you become aware that he was available and that you should at least start the process of paying him through the books?---Yeah, okay. I can't actually recall. Like I said, there was a lag time and I can't, I just can't remember what Maggie said in regards to, you know, you've got to start from this date. I'd say I would have had a meeting with her. She would have paid me the initial wage and half the fee and it would have been from the week after that, following that.

So you've got a relatively clear recollection that it was Maggie who let you know that the employee is going to be available and you should start the process of paying him through the books.---That's right. Exactly. Yeah.

And there must have been a physical meeting at which some cash was exchanged.---That's right. That's right.

10 And then at that point in time you knew it was time to start the - - -?---
That's right.

- - - what you thought was going to be a legitimate employment relationship
- - -?---Yes, yeah.

- - - but later turned out not to be a legitimate employment relationship?
---That's right. Yes.

20 Can we go to page 281 of Exhibit 178, please. Now, here's an invoice from
- just pardon me for a moment. I'm so sorry, can we go actually to page
284. I apologise to the operator. That was my mistake. Now, we're 1
October, 2015, from Ms Wang to you, "Please find attached invoice and I
will pick the cheque on next Thursday when we meet up." Do you see that
there?---Yes, I do.

If we then just turn the page so we can see that invoice. Do you see there's
an invoice from Ausky, A-u-s-k-y, Visa Solutions, 31 July, 2015?---Ah
hmm. Yes.

30 What was that invoice for, as you understood it?---I, I don't remember this
one.

What's Ausky Visa Solutions, as you understood it?---Was that Maggie's
company?

Well, I'm asking you what you understood that entity to be?---Yeah. I, I, I
think it was her company.

40 Well, if we go back a page, you will see that it's Ms Wang who's sending
you a copy of the invoice.---Yes, yep.

And you'll see that she says, "I'll pick the cheque on next Tuesday when we
meet up." Do you see that there?---Yeah, I do. Yes.

So it looks like Ms Wang at least thinks that she's going to meet up with
you in the following week.---Yes.

And get a cheque from you in relation to the tax invoice that's on the next
page.---Yes.

Does that ring any bells as to how it might have played out?---No, it does not.

So you don't have a specific recollection, I take it, then of paying that \$5,500 figure?---No, I don't actually.

10 It's possible that you actually did pay it, though, is that right?---Oh, it could be but I think I would remember it. But, no, I haven't got the best memory in the world, I'll let you know that now.

So you've got a clear recollection of receiving the cash by way of reimbursement for wages and superannuation, correct?---Yep, yep, correct.

A clear recollection of receiving cash by way of the fee, is that right?---Yes.

In relation to the employment expenses going out to Mr Xu, that went through the books and always went through the books?---Yes.

20 It was being done at the time, taking out PAYG, paying superannuation. ---Yes, yes.

Doing everything that you have to do as an employer, correct?---That's right, yes.

At least in the first instance, the fee was not put through the books, correct? ---That's right.

30 You have since had second thoughts about the propriety of that?---Yes.

And put it back through the books, is that right?---Yes. We'd paid 40% tax on everything that was paid to us, including the employee side of it. So, you know, the gross figure as being, being a figure of 40% tax paid on all of that.

And when did you have the change of heart?---Well, actually, the first, the first amount of money that we received we put through the books and then towards the end of 2018.

40 So when you say the first amount of money, which bit of money are you talking about now?---Oh, that, I think that was \$1,000 deposit that we received right at the beginning.

Was that in relation to Mr Xu or in relation to someone else?---It would have been in relation to Mr Xu.

So just to go back to understand the fee structure, \$30,000 or thereabouts in the event of a successful placement?---Yes, yeah.

By which I mean visa applicant gets the visa, correct?---Yes, yes.

But are you saying there was an \$1,000 deposit - - -?---Yes. Oh, yeah, that's right. So I think I said it came in two instalments. There was actually three, so I think there was \$1,000 when you signed an agreement, right at the start and then maybe \$14,000 when the employment began and then \$15,000 at the end.

10 Now, that three-stage payment, when was that discussed?---Oh, look, I can't remember. It would have been at one of the meetings in 2014, perhaps.

Was that ever put in writing or was that only done orally?---Orally.

Did you ask for it to be put in writing?---No, it might, actually it might have been in writing. It was in writing.

It was in writing?---Yes.

20 Do you still have a copy of that writing?---No, I don't.

Why not?---Well, I don't, I don't, it was never on an email.

Well, what sort of writing are we talking about then?---On, just on, on a piece of paper.

A piece of paper that Ms Wang gave to you or - - -?---Yes, yep, yep. She would have and I would have signed on it.

30 So some sort of handwritten or, what was it a handwritten note or was it something in the nature of a contract?---No, it was typed. It was typed but it was only like half a page or something like that.

So is it right that you've got a recollection that at some point in time Ms Wang presented to you something in the nature of a contract document?
---Yeah.

That set out a fee structure?---Yes, yep, yep.

40 That you signed and gave back to her?---Yes, yep.

Did you keep a copy of that for yourself?---No.

Did she give you a copy of it?---Yeah, I believe so, yep.

So you had a copy but you, but what happened with the copy?---Well, I'm not sure. I don't know. I just no longer had it, you know, I haven't got it.

Have you searched for all of your documents relevant to this investigation including documents of that kind?---I have, yes, yes, I have.

Is it possible that you've overlooked a document of that kind?---Anything is possible, but - - -

10 Well, what I'm really trying to understand is why would a document like that, you're a businessman with a series of companies who, as part of running organisations, need to keep records and things of that kind.---Yes, yes.

How could it be that a document of that kind simply goes missing?---Well, like most people now I keep, almost everything is electronic and that one obviously wasn't, so - - -

Well, did you deliberately not keep a copy of that document because you thought it was a bit suspect, the visa scheme that you were involved in? ---I think, I think that's probably right to be honest.

20 Did you decide in your mind, did you go, well, this doesn't look right, I want to make sure I don't keep a copy of that document, is that - - -? ---Yeah, I think so.

Does that answer apply to any other documents that are relevant to this immigration scheme that we've been talking about?---No, I think you've got your head around most of them, if not all of them.

30 But what I'm trying to understand is, you produced documents in response to a summons issued by the Commission?---That's right.

Did you produce in response to that summons all of the documents that you had at that point in time that were responsive to the summons?---Yes, to the best of my knowledge. So you've got to remember that I've done this all by myself in my own time and so, you know, to the best of my ability I've produced everything that was on my, you know, computer, every file, every email in relation to this.

Now, you have a number of employees. Is that right?---Yes, that's right.

40 So why did you take it upon yourself to deal with that matter?---Because I - - -

Rather than getting some employee assistance?---Because I was the only person doing this thing.

Well, did you deliberately try and keep this matter away from the other employees because you knew that something was suspect in relation to this

immigration scheme?---Yeah, it's not something I wanted people to know about.

So just to be clear in terms of the document production, as best you can do it, you've produced everything that could respond to the summons. Is that right?---Yeah, exactly. Look, I'd be happy to be honest to look over my computer.

10 And it's possible you've overlooked something, but in response to it you didn't go, I'll give the Commission these documents because they're sort of all right, but I'm going to hide some other ones because that might look bad for me? Is that right?---Yeah, I - - -

You didn't deliberately withhold in response to the summons?---I did not deliberately withhold anything.

20 But prior to receiving the summons there were some documents, such as the document you signed with Ms Wang regarding the \$1,000, \$14,000, \$15,000 - - -?---Yes, yes.

- - - which you deliberately lost because it looked pretty suspect to you. Is that right?---Yes, I didn't keep those documents.

And you did that because you didn't want a body like ICAC or perhaps the police or perhaps the Immigration Department sniffing around and getting that document that might implicate you. Is that fair?---Well, I just didn't want that document there.

30 You didn't want that document there, but you also didn't want any investigative authorities, like this Commission or police or someone else, getting a hold of that document and going, hang on, look at what Mr McLaren's done here, this looks a bit suspect to us. Is that fair?
---Yeah, I'm not sure, probably.

THE COMMISSIONER: Mr McLaren, when you, for want of a better word, settled up with the ATO as you've just said, and paid the 40 - - -?
---Yes.

40 - - - did you do that with the assistance of your accountant?---Yes.

Is it possible you gave this document to your accountant at the time so that - - -?---No.

No.---No.

MR ROBERTSON: The particular document that you referred to before and it's gone missing, do you remember what it was called?---No, look, I

don't know that it was called anything. It was basically just a, it was just a document that spelt out how the payments would be made.

It must have had some heading or something, though. Do you have any recollection of that?---No, I'm not even sure that it did, no.

But you at least have a recollection of it setting out effectively a fee schedule as to how it would work.---Yeah, it was only sort of four or five lines.

10

Do you have any recollection as to, as to what the fee was called, was it just called a fee or was it called a fee that was - - -?---Oh, it was a training fee.

It was described as a training fee.---Yes, yeah.

So is it possible that the document you're talking about was called something like a training contract or training agreement?---No, look, I like, no, I'd be speculating.

20

Go please to volume 19, page 204. And I'm going to show you a document you wouldn't have seen before, but it might look like the document that you're talking about. I'll just get your comment on it.
---Okay. Righto.

So do you see there an agreement that's described An Agreement for Training with Party A, Ms Wang?---Yes, yep.

Don't worry about party B.---Yep, yep, yep.

30

Does this look like the kind of thing that you were talking about?---Yeah, I didn't think it was quite as detailed as that, to be perfectly honest, was my recollection. But it would have been something similar to that, but like I said, I don't think it was as detailed as that.

But you at least have a recollection that it sets out the fee schedule, correct?
---Yes, definitely.

It describes it as a training fee, correct?---Yeah, something along those lines.

40

A training fee or fee for training or some concept of that kind.---Yes, yep, yeah, something along those lines, yes, yep.

So far as you can recall, did it require you to actually provide any training or was that just the word that was being used to, as it were, to cover up a bag of cash or envelope of cash that was going to find its way to you in due course?---Well, no, there was no training required from our end.

As you understood the arrangement, you and your company weren't actually required to provide any training for this employee. Even quite the contrary, you were hoping to have an employee for a three-month period who might be able to assist you and, in a sense, train you as to how to deal with Chinese nationals who might be potential investors. Is that fair?---Yeah, I, look, that'd be a fair statement. Although, I think any time you employ somebody there's a certain element of training, and they obviously, you know, it would have been people that were coming into the business that didn't have a huge understanding of Australian agriculture, so I suspect, you know, just from day-to-day dealings there would have been a certain element of training involved in one, you know, one respect or another.

But Ms Wang - - -?---But nothing official.

But Ms Wang didn't explain to you that an integral part of this arrangement that she's promoting to you is that, yes, you get \$30,000, which was pretty good, but you've got a specific obligation in relation to training in exchange for that \$30,000 payment?---No.

20 To use the vernacular or colloquialism, \$30,000, as you understood it, is effectively the kickback to be involved in this immigration scheme. It wasn't actually a legitimate payment for providing training.---No, I guess not. That's right.

You agree with that?---Yeah.

Is that a fair summary of the position as you understood it?---Yep, yes. Well, when you say "you understood it", hang on, I just want to clarify that a little bit, because I didn't just, I didn't suddenly have an epiphany at some stage and say, "This is a scam." It was a, a gradual realisation that we were being sucked into something or, you know, one way or another getting involved in something. And, you know, definitely by the time the employees started and they weren't turning up and we were getting cash, et cetera, you know, I realised that we were involved in a scam. But at that stage I thought we'd already crossed the Rubicon. And what do you do? I don't know.

40 So you're clear in your mind, sitting there now, that this scheme was a scam, correct?---In, yeah, hundred per cent.

Sitting here right now.---Yes, one hundred per cent.

The first meeting with Ms Wang, quite the contrary. You thought it was a legitimate scheme.---Yes, yeah, hundred per cent.

Looked like a good commercial opportunity, correct?---Yes, yes, yep.

But various bits of information became known to you over time.---Yes.

Started to make it look a bit suspect.---That's exactly right, yes.

You asked for legal advice from the lawyer.---Yes.

They said it looks a bit suspect but perhaps they're being a bit too risk averse, correct?---Yes.

10 More information comes to you over time, and in a sense the kicker is we've arranged all of these arrangements, and the supposed employee, who I'm paying a large amount of money to be here for a three-month period, doesn't turn up. Correct?---That's right. That's right.

And so at least by the time that you were shelling out money on a fortnightly basis, albeit money you're going to be reimbursed for - - -? ---Yep, yep.

20 - - - but money that's going through the books, you realised, at least in your own mind, that this was a scam, do you agree?---I did. I agree with that.

THE COMMISSIONER: Did you seek any reassurance from Ms Wang and the - - -?---All the time I was seeking reassurance from her. And I can't remember at what stage I contacted Mr Maguire about it. It was either when we had the first, first cash payment or when the employees didn't turn up, but I can remember ringing Daryl and saying, and I think it was when we had the first cash payment, and I said, "What's going on here? We are getting paid in cash." And Daryl said to me, "I don't want to know about it," and changed the subject.

30 And when you sought reassurance from Ms Wang, who had been introduced to you by Mr Maguire, did the fact that he had introduced her to you give any added weight to the reassurances you received from her?---Yeah, I, yeah, absolutely. I would have thought so.

In what way?---Well, you know, you've been introduced to this person by a member of parliament. I suppose naively you would expect that they, it was a legitimate scheme but, you know, as I said, after, after the first 12 months or so, when the cash started turning up, you know, I realised it wasn't.

40 MR ROBERTSON: Why did you think Mr Maguire knew about whether it was a legitimate scheme or not?---Why? Because he'd introduced me to Maggie so why wouldn't I go back to him and say, "What the hell's going on here?"

But why did you think Mr Maguire might know something about the details of the scheme rather than just simply knowing that Ms Wang might be someone who might be able to assist in immigration matters?---Well, I've

got no evidence to support that he would have known anything about the scheme I guess.

As you understood it, what was the relationship between Mr Maguire and Ms Wang?---I didn't really understand what the relationship was.

Did you ask Mr Maguire?---No, I didn't really. Oh, well, I can't remember asking.

10 You referred a little while ago to a conversation with Mr Maguire.---Yes.

And I just want you to do your best in identifying the exact words Mr Maguire used, or if you can't get the exact words, you can say, "Words to the following effect." Just do the best you can to identify what words Mr Maguire used during the course of that conversation.---When I phoned him about the immigration scheme?

Yes.---He basically said, I can't remember whether it was sort of, "Shh, shh, shh, shh, shh," or, you know, "Be quiet. I don't want to know about it."

20 And - - -

So you have a recollection of a phrase like, "I don't want to know about it." ---That's right.

And in the words that he used, or perhaps that way that he delivered them, he made it clear to you that - - -?---I wasn't - - -

- - - he didn't want to discuss the details of this at all.---That's correct, that I wasn't to bring that up about - - -

30 He wasn't to bring it up.---Yeah.

Did it go a little bit further than that? "I don't want you to bring it up," and, "There might be something a bit fishy here," or is that taking it a bit, taking it a bit far?---No, that's taking it too far. I don't believe so.

"I don't want to go into detail."---Yeah.

40 "I don't want to know."---Yeah.

"You deal with Maggie."---That's pretty much it.

Did you raise it with Mr Maguire only on one occasion or on more than one occasion?---Only on one occasion.

And you then in effect complied with his request, "Don't tell me any more about this."---That's right.

Now, doing the best you can, when would have that communication occurred, was it after Mr Xu was already supposed to turn up and didn't or was it before or was it - - -?---I think it would have been, well, like I said, I'm not a hundred per cent sure but it either would have been after the first cash payment or when this guy didn't turn up. But I suspect it would have been after the first cash payment because that's when I first thought, this is quite strange.

10 Because it's an unusual thing for someone to turn up in your office or for you to attend them - - -?---With a heap of cash.

With a heap, with a heap - - -?---Unfortunately that is unusual.

With a heap of cash.---Exactly.

Well, you know from business, particularly in this day and age, sending around tens of thousands of dollars in cash is unusual.---Very unusual.

20 If one needs to do that, one does it by way of cheque or one does by way of electronic funds transfer.---Yeah, even cheque now is not really that modern.

Quite so. And this is something that you commonly know, but in particular in your Miller & James real estate business.---Yes, yeah.

30 Could we then go, please, to page 290 of Exhibit 178. Page 290 of volume 20 also 178. Here are some communications between Mr Xu and you, and we start at the top of the page. 4 December, 2016, and you see he's saying, "Just as we mentioned last Friday, now I'm sending you an e-copy of employment letter et cetera." Do you see that there?---Yes, yep.

40 And so is it consistent with your recollection that there was at least some communications with Mr Xu in or about December of 2016?---Yeah, absolutely. I sort of had the impression that this guy was actually a pretty switched-on bloke and very intelligent and there was, obviously there was something that the immigration company had given him that wasn't quite as detailed as it should have been or it was wrong and he was asking me just to change a few of the details so that it obviously fitted his visa application or whatever.

Well, if we just turn the page, the particular thing that he seems to be raising, if you have a look towards the top of the page, item number 3, is, "Furthermore today my broker told me a little bit about employment letter adjustment. He said it should be better to delete 'until the probation period is finished.'" Do you see that there?---Oh, okay, yes, yep, yep.

So as you understood it, Mr Xu was asking you to issue a new employment letter that got rid of the reference to the probation period, is that right?

---Yeah. That's what it looks like, yes, yep.

So and you agreed to make an amendment, is that right?---Yes, I did.

Even though that was inconsistent with what your actual arrangement was with this individual, the critical part of the arrangement was that there would be a probation period of three months and he would be shown the door, or
10 likely to be shown the door, after the three-month period, is that right?

---That's right. Yep.

THE COMMISSIONER: That seems to be an amendment he sought to facilitate him applying for a bank loan, if you look at that paragraph three. It's only submitted to bank loans.---Bank loan for me, yeah. I - - -

No, bank loans, I think that was a misspelling if you look at the next one.

---Oh, yes. Okay. Yeah, look, I, I don't really know what he's on about to be honest.

20

MR ROBERTSON: And note it says on the next line, "Never mind anything else."---Yep.

Now, in point of fact, what did Mr Xu actually do for you, if anything? You said you met him a couple of times in the flesh?---Yes, yep.

Did he actually do any work for you at all?---No, other than I asked him to investigate some opportunities to potentially sell beef in China and, you know, he got back to me and said he, you know, he had rung a few people and it, you know, basically closed doors et cetera, et cetera, and hadn't had
30 any luck. Now, whether or not he actually did it, did anything or make any phone calls, I have no idea. So - - -

So he may have done a couple of things for you, but you certainly didn't get the services of a full-time employee for three months?---He was, he didn't seem as engaged in the project as I was at the time.

Well, it's a bit more than that, isn't it?---Oh, well, I'm, I'm, I always - - -

40 It's a bit - - -?---I like the understatement but, yeah, you're right.

Well, a more accurate description is that although he was formally employed as an employee of your organisation for three months, and at least ostensibly paid as such, in the real world, he was not acting as an employee of yours at all and all he did at most was a couple of tasks in the nature of a consultant, but certainly not as a full-time employee for a three-month or other period?---That's right.

THE COMMISSIONER: And in any event, he was supposed to be employed in your real estate business, wasn't he?---Yes.

I don't know, would I be, is the sale of beef associated with that or with your farming business?---Well, we had a – no, Miller & James had a shareholding in a company called A Farm and that was the company that was exporting the beef at the time.

I see.

10

MR ROBERTSON: So, I think you've accepted that at least by the time that Mr Xu should have turned up but didn't, you realised that this immigration scheme was a scam, correct?---Yes, correct. Yeah.

But is it right to say that you participated in this scam on more than one occasion, not just in relation to Mr Xu?---That's right.

And so as well as in relation to Steven, you were involved in the scheme in relation to a Daniel Ding, is that right?---Yes.

20

D-i-n-g?---Yes.

Now, that one wasn't through Miller & James, rather it was through the Redwin Farming Trust. Is that right?---That's right.

And is it consistent with your recollection that that was associated with the Regional Sponsored Migration Scheme rather than the Employer Nomination Scheme, does that ring a bell?---Oh, I can't remember but I would have thought it was the same scheme.

30

But the details of which scheme it's in and which scheme it's not, is it right to say that was left to Ms Wang's end rather than you dealing with it? ---Correct.

But you at least realised that, in relation to both Mr Steven Xu and Mr Daniel Ding, what you were required to offer was a genuine employment relationship, not a pretend that they're employed and they might turn up once or twice?---That's right. Yeah, that's right.

40

But at least by the time we got around to Mr Ding, you knew that this was not a legitimate scheme at all?---Yes. Yeah, that's right.

So why did you decide to continue despite that?---Because what happened there was that there were two or three contracts signed reasonably early on. So we were, we were, we were locked into them, locked into the process before the first person started, and then there was the lag time before they actually started, and it wasn't until they started that we realised that it was, yeah, dead-set a, a scam.

Is the effect of what you're saying that by the time it was clear in your mind that this was a scam - - -?---We were already involved.

You thought you were already in it boots and all and it would be a bit hard to extricate yourself from the scheme. Is that fair?---Yes, yes, definitely.

10 And also you must accept there's a good part of the scheme for you too because someone's going to turn up with an envelope with tens of thousands and of dollars in it.---Yeah, yeah.

That was at least one reason - - -?---That was definitely, yeah.

- - - why you continued in relation - - -?---Yeah, absolutely.

- - - to at least Mr Daniel Ding.---Yes.

20 And there was another one as well, wasn't there. There was a Katrina Rong?---Yeah. Karen I thought her name was - - -

Or a Karen?--- - - - but yeah. Yes, that's right.

And so is that another example of participating in the visa scheme?---That's right.

30 Now, focusing on Mr Ding, can we go please to volume 21, page 40. Now, Commissioner, I'm going to tender a separate bundle. The first bundle that I tendered pertained to Mr Steven Xu, X-u, and the association with Miller & James (Real Estate) Pty Ltd. I now tender a separate bundle pertaining to Xiao, X-i-a-o, otherwise known as Daniel Ding, D-i-n-g, pages 1 through to 165 of volume 21 of the public inquiry brief.

THE COMMISSIONER: That will be Exhibit 179.

#EXH-179 – XIAO (DANIEL) REDWIN FARMING TRUST BUNDLE

40 THE COMMISSIONER: Do you have enough water there, Mr McLaren? ---Yeah. I'm on to my second bottle. Thank you very much for asking.

MR ROBERTSON: Once you run out just say the word.---Okay. Thank you.

THE COMMISSIONER: We're long on water.---Okay.

MR ROBERTSON: I think the Commission's budget for bottled water has been used to its fullest. Again, does that look like your signature on the page there?---Yes, it does.

And if we just go back a few pages to the start of this document. Do you agree that that's an employment contract or at least that you signed an employment contract in relation to Mr Ding?---Correct.

10 And so how did the proposed arrangement with respect to Mr Ding arise? Is that again Ms Wang presenting you with a potential supposed employee and visa applicant?---That's right.

And are you saying there was an overlap between the position in relation to Mr Steven Xu and Mr Daniel Ding?---Yeah, that's right. So I think in the first instance that we, we did the contract for Steven and then Maggie would have put this up in front of me I think as the time frame.

20 Now, in relation to Mr Steven Xu, you expected him to actually turn up and work for you on a full-time basis for a three month period. Correct?---Yes.

But you didn't expect that in relation to Daniel Ding. Is that fair?---No, I did, I did but I didn't think he would be working like for Redwin Farming because obviously we don't need, didn't need a Chinese person working for our farming operation. But what I would have been using him for is basically stuff within Miller & James, like translation of documents, et cetera, all those type of things so - - -

30 So you put him forward as a supposed employee for Redwin Farming Trust but never had any intention of seeking to employ him for the Redwin Farming Trust. Is that right?---No. That's right, yeah.

THE COMMISSIONER: Is there a reason you didn't just go through Miller & James again?---Well, I think, I think the reasoning there was because you could only do one applicant at a time or something like that so you needed a separate organisation to get a second applicant.

40 MR ROBERTSON: Did you expect Mr Ding to actually turn up in Wagga and work from Miller & James's premises?---In Temora actually. Yeah, I did and I was, you know, I was a little bit worried about, you know, how we were going to keep him occupied and how it was all going to work.

Now, did he in fact - - -?---But I did because I remember feeling worried about that.

So at least when you were signing documents like the one we saw on the screen, you contemplated that a human would actually turn up and work for a three-month period?---I did. I did indeed.

And although ostensibly employed by Redwin Farming Trust, you would deploy that person in relation to Miller & James work. Is that right?---Yes. Yeah, and perhaps A Farm.

And perhaps what, sorry?---A Farm.

What organisation?---Oh, that was the company that Miller & James had a 20 per cent shareholding in that was trying to export beef into China.

10 Did Mr Daniel Ding in fact turn up and work on a full-time basis for a three-month period?---No, he did not.

What, if any, assistance did he provide to Redwin Farming Trust or to Miller & James or to any other entity that you were associated with?---None whatsoever.

So at least once that happened, if you weren't otherwise uncertain, you realised this was very much a scam.---That's, that, that was the moment. Yep, that was the moment.

20

But you still proceeded with other parts of the scam, correct?---Like I said, we'd already signed it up. We were sort of locked into it, in one sense. So, okay, in my situation you've, you're locked into these things. You, you've realised that it's a scam. You've gone back to the person that originally introduced you to the person who's running the scam. You've asked the question, you know, "What the hell's going on here?" and he's a member of parliament and he's told you to go away. Where do you go next from there? I don't know. Maybe I should have called ICAC at that stage.

30 Is it fair to say that the assurance from Mr Maguire was a significant factor in you deciding not to fess up until later? Or is that overstating it?---Well, I still knew it was a scam. The fact that he was basically agreeing with me that it was, I guess, yeah, I, I just didn't know what to think. It's not like I do this every day.

But what's the answer to my question? Was it a – I'll deal with it in parts. ---Well, it was a factor.

40 Was a factor in you not coming forward before you did, regarding what you've now accepted was a scam, the fact that Mr Maguire had introduced you to Ms Wang? Was that a factor?---Oh, hundred per cent, because, I mean, if I'd rung Mr Maguire and he said, "Oh, God, what are you talking about? You need to, you know, talk to the relevant authorities and get the hell out of there," obviously, you know, that would have been a complete different - - -

So dealing with that in parts, the fact that Mr Maguire referred you to Ms Wang was a factor that influenced your conduct, correct?---Correct.

The fact that when you rang Mr Maguire he said, "I don't want to know anything," that was a factor, correct?---Yes, correct.

You might have done something different if Mr Maguire said, "Hang on, I thought this was a legitimate scheme."---Yes.

"If it's not, let's go and speak to the authorities ASAP."---Yep. Yes, yeah.

10 And would it be putting it too high to say that it wasn't just a factor, it wasn't just in the background, it was a significant factor affecting your conduct and, in particular, whether you would continue with the scheme - - - ?---I would have thought, yes, yes.

- - - and perhaps report it to relevant authorities.---Yes.

Go, please, to page 8 of what's now Exhibit 179, volume 21. I want to show you a couple of documents relating to Mr Ding. Now, do you see there an email from you to Ms Wang, 13 August, 2014?---Yes.

20

And if we then, there's two attachments to that email. One is in relation to Mr Xu.---Yes.

Which is an attachment I've already shown you.---Yep.

But if we go to page 13, if we jump to page 13, we'll then see a copy of a separate document you appear to have signed in relation to Mr Ding. So do you recall signing a document that looks like the one on the screen in relation to Mr Ding?---Yeah, I would have, yes.

30

And if we then just turn the page. I'll just draw your attention to clause 11, which has a probationary period clause sitting in it.---Yes.

If we then turn the page, do I take it that you agree that that looks like your signature?---It does.

And, at least to my eyes, doesn't look like an associated smudge.---No, it doesn't. No.

40 Do you have a recollection – it's some time ago – do you have a recollection whether you physically signed this document or - - -?---I could have quite possibly.

But you don't have a specific recollection one way or another.---No.

It was some number of years ago.---Correct. Yep.

Again, did you sign one document like this, or is it possible that you signed more than one document that looks like this one?---Can't, I can't remember. I may have signed two, but I thought I would have only signed one, but it sounds like you're going to show me a second one.

I'm going to, I hope, do another side-by-side version, just to keep Mr Grainger on his toes.---He's done a good job over there.

10 Can we have, on one side of the screen, page 13 of the public inquiry brief, which is the one that we started with before. And on the other side if we can have page 38. Now, again you'll see on both sides the documents appear to be very similar.---Yes.

There's one difference. If you have a look at position title, do you see one of them says, "Financial investment consultant," and the other one says, "Assistant financial investment advisor?"---Okay, yep.

Do you recall what the actual title was?---No.

20 At least the ostensible title?---It was something along those lines.

Now, this remuneration is somewhat less than what was agreed in relation to Mr Xu.---Yes.

Do you recall why this remuneration amount was less?---Look, I don't know why, why Mr Xu's was so high but I suspect it was because he was highly qualified. That, that, that, that was my reasoning. I'm not sure whether I actually asked Maggie about it at the time.

30 So who came up with the supposed remuneration amount?---Oh, Maggie, Maggie.

Not you?---No, not us.

I take it you didn't really care because you were getting the money back at the end of the day.---Yes, that's right.

40 If we then go further down on both sides and then over the page on each side.

THE COMMISSIONER: Are you going to pause at clause 6, Mr Robertson?

MR ROBERTSON: Yes, I'm sorry, I've scanned down too much.

THE COMMISSIONER: Which is the one Mr McLaren produced to the Commission, the one on the right again?

MR ROBERTSON: The one on the left-hand side appears to be Mr McLaren's version.

THE COMMISSIONER: Well, there's a significant difference between clause 6 in the first sentence of the one on the right.

MR ROBERTSON: So just have a look at that, Mr McLaren. The right hand side, "This is a permanent full-time position, at least three years ongoing." Do you see that there?---Yes.

10

On the left-hand side, "This is a full-time position."---Yes.

Do you have any recollection as to whether you signed one that looks like one on the right-hand side, "This is a permanent full-time position, at least three years ongoing"?---No, I've got no idea, sorry.

20

At least if you'd seen that in a document, and accepting that you said, "With some of these I didn't look at them too closely," but if you'd seen that in the document would have you signed it, "At least three years ongoing"?---Well, I wouldn't have thought so because it was always my understanding that it was for three months. That was what I was told.

Is it right to say essential to your understanding of this arrangement was your commitment - - -?---Three months.

- - - either for a real human or for a pretend human - - -?---Yeah, three months.

30

- - - was three months and no more?---Yes, because I, I, I asked Maggie on several occasions about that.

And that was important to you - - -?---It was important to me.

- - - as a businessman because you weren't at any risk in relation to the three months because it was going to be paid back. If you had a commitment for three years then you're at serious risk - - -?---Correct.

40

- - - particularly in relation to someone like Mr Xu, who was going to be on a high salary.---Correct, yeah.

Then if we scroll down a little bit further, consistent with the point to which the Commissioner's drawn particular attention, just over onto the next page, I'll draw your attention to clause 11 on the left-hand side, so the version that you appear to have sent to Ms Wang. Have a look at clause 11 on the right-hand side. Completely different.---Yeah, they are.

So again I take it that at least if you'd noticed you wouldn't sign a document that says, that did not have that three-month probationary period clause in it. Is that fair?---That's fair.

Because as you've explained a couple of times, that was essential to the arrangement as you understood it.---Yes.

10 And if we then just go a bit further down to the signature clause on each side. You'd agree I take it that it at least looks like your signature on the right-hand side?---Yeah, correct.

But just to help you, with the one on the left-hand side, that was attached to an email of 13 August, 2014.---Yeah.

Do you recall sending Ms Wang more than one version of an employment contract for Mr Ding or is your best recollection that you did it once and once only?---I would have thought once only but who knows.

20 And then can I draw your attention to the date. See it says 1/, at least to my eyes it looks like a 7/2014?---Yep.

See that there?---Yep, yep, yep, yep.

Does that look like your handwriting or does it - - -?---No, it does, it does. Oh, sorry, the - - -

30 The date underneath where it says Redwin Farming Trust?---Oh, no. That doesn't look like my handwriting. That's not my handwriting. I don't write sevens like that or ones.

And so doing the best you can, again accepting it's some time ago, the version of the contract that you signed, or at least the one that you thought was going to be the relevant contract, it looks like it's the one on the left-hand side, rather the one on the right-hand side. Is that right?---Yes. Yep.

40 It's possible that you signed some other document without giving it proper consideration?---Well that's, that is very possible to be honest with you. And it would not have been brought to my attention, "Oh, sorry, there's a different clause in this contract that the one you signed earlier on." So I could have just looked through it, skimmed through it and said, "Yeah, that looks about right," and signed.

Is it clear in your mind, though, that you didn't sign any employment agreement until after Ms Wang told you who Mr Ding actually was? ---That's, yeah, that's right. I would have, I wouldn't have - what did I - - -

Well, let me perhaps ask it this way. Is it the case that at the time you signed an employment contract in relation to Mr Ding, you thought Mr Ding

was a potential legitimate employee who was actually going to turn up in the flesh at your business?---Oh, no, I, yeah, definitely. I would have thought that but I would have been sent his résumé.

Quite so. So that being said, let me be clear. Your best recollection is anything you signed regarding Mr Ding must have happened after you received a copy of Mr Ding's résumé?---Yeah. I would have thought so. But - - -

10 Well, it must follow from what you said, wouldn't it? Because why would you sign up to employment agreement for what you thought was a legitimate arrangement if you didn't know Mr Ding from a bar of soap? Is that fair?---Well, you would think so, that's right. Yep. Yes. If I didn't know who it was, no. That's true. Yeah, that's fair.

Well, let's just go then to page 6 of Exhibit 179, which is an email attaching a résumé. Have a look, email from Ms Wang to you, 31 July, 2014, 12.10pm. "As discussed, please find the résumé for a finance graduate, Daniel Ding." Do you see that there?---Yes.

20 "Doesn't have much working experience. We will cover all costs, similar arrangement as with Mr Xu." Do you see that there?---Yep, yes.

So do we take it from this that you had a discussion with Ms Wang before receiving this email regarding the possibility of another placement?---Yes.

In this case, Mr Ding, correct?---Yeah. I would have thought so, yes.

30 And well do you have a recollection of that, or - - -?---Oh, well no. I had plenty of discussions with Maggie.

Is it right to say that you understood the arrangements in relation to Mr Ding would be the same as the arrangements in relation to Mr Xu?---Yes.

Three-month period?---Yes.

No obligation beyond the three-month period?---Correct.

40 Full reimbursement for wages, superannuation, on-costs et cetera for the three months?---Yes, yep.

Pay a fee, perhaps described as a training fee, of \$30,000 for that?---Yes. I believe so.

And at least initially you thought Mr Ding was going to turn up?---Yes.

Didn't turn up for a single day?---Correct.

THE COMMISSIONER: Did you ever meet him?---I did meet him actually, just down the road.

Down the road here?---Yep.

When was that?---I can't recall. I would have been in 2015.

What, after these contracts were signed?---Yep. I think so. Oh, I would have thought 2015 but - - -

10

In what circumstances did you meet him?---I met him just before his placement was meant to start. So maybe a week or two before, when he - - -

Who arranged that meeting?---Maggie. Yep.

Was there any conversation then about him coming to work in Wagga, sorry, in Temora?---Well, I think that's pretty much where I got the, you know, I - yeah, I mentioned before I didn't have an epiphany moment but perhaps that was it, when I realised that he wouldn't be coming to Temora.

20

And what was it that happened during that meeting that made that light dawn on you?---Well, I can't exactly recall, other than that they would have said along the line, I would have said to Maggie, you know, "Are we having him come to Temora? How is it all going to work?" And she said, probably said, and you know, I'm only sort of - I can't remember 100 per cent what happened there but - - -

30

Do your best to tell the Commission the words to the effect of what she said, if you can't recall the precise words.---Oh, well, yeah, well, I can remember coming away from that meeting with a clear understanding that he wouldn't be coming up to Temora to work within the business.

Well, can you do your best to tell the Commission what words that Ms Wang spoke or he spoke that gave you that, led you to that conclusion? ---Oh, look, no, I, I would be making it up, I reckon, if I did, to be honest.

Thank you.---I'm sorry.

40

MR ROBERTSON: So let me show you a document to try and help you get your bearings as to when this meeting might have taken place. Can we have on the screen, please, page 26 of volume 21, now Exhibit 179.---And, like, I, I just want to point out, like, I'm not trying to mislead you guys but, you know, the memory does play up. So I'm trying to remember it as best I can. I'm not - - -

Mr McLaren, it's completely fine.---Sorry.

You've given an affirmation to tell the truth.---Yep. Absolutely, yep.

If the truth is “I don’t recall,” that’s fine.---Yep.

If the truth is yes, it should be yes.---Okay.

If the truth is no, it should be no.---Thank you.

If you’re not sure, you should indicate that.---Righto.

10 If you have a look at the document that’s on the screen, do you see there the Immigration Department is writing to you – or at least writing to your trust - - -?---Yes, yep.

- - - saying “approval of nominated person”. And you’ll see the name of that person is Mr Ding. You’ll see that about halfway down the page. ---Yes.

20 And do you remember receiving a letter that looks like the one that’s on the screen?---Yeah, I think so.

And so if you have a look at the date, it’s 14 January, 2015.---Yeah.

So at that point in time it looks like it’s all systems go.---Yep.

At least in terms of the Immigration Department approving your side of the exercise. Your nomination.---Yes. Yes. Yep.

30 Does that help you try and fix a time at which you may have had the meeting that you mentioned to the Commissioner a moment ago?---Well, yeah - - -

It must have been around this January 2015 period.---It wouldn’t have been January, but it would have been, it could have possibly been March.

And to try and help you with another date, the visa that was actually issued to Mr Ding was 22 January, 2015.---Oh.

40 So does that, at least as far as you understood it, at the time you met with Mr Ding, did he have his visa in hand, ready to go?---Um - - -

Not necessarily in hand, but a visa being issued?---He would have only got the, wouldn’t he have only got the visa after the placement?

Well, this is the date where your nomination has been approved.---Oh, okay.

So that’s a step in the process.---Yep, yep.

He can’t be approved until you’ve been approved.---Yes.

And he was, in fact, approved on the 22nd of January, 2015.---Yes. And then he began work with us after that, did he?

It must have been after that period.---Yeah, yeah, exactly, yep, okay.

So does that help, that it looks like – and I’m not expecting an exact date – but it looks like that meeting was in probably early 2015, perhaps February, perhaps March, something like that.---That’s, that’s probably right.

10

And that was a meeting that happened in Sydney.---Yeah, at the Sheraton.

It’s a meeting that Ms Wang organised?---Yes.

Was Ms Wang present at the meeting?---Yes.

And how did Ms Wang organise it, do you recall? Did she send you an email, ring you up?---Would have been one or the other.

20

And coming into the meeting, what was the purpose of the meeting as you understood it?---I think I did sign a document at that meeting.

And what was the nature of that document?---It might have been another employment contract. I don’t know. It - - -

Might it have been one of those training agreements or training-type documents that you referred to before?---No, because I think they were signed before, at an earlier stage.

30

So, in relation to those agreements, what I’m going to call the agreements for training, the one that you signed that has disappeared - - -?---Yep.

- - - there wasn’t just one of those. There was one of those for each of the individuals involved.---That’s right, yep, yep.

Your best recollection is that was done early in the process.---Yeah, that’s right.

40

Is it also your best recollection that that had the same fee structure in relation to Mr Ding as it did with Mr Xu?---It did.

A thousand bucks as a deposit, effectively.---Yep, yep.

\$14,000 at some point.---Yep.

Another \$15,000 at another point.---Yep, yep.

Those second and third payments, do you recall when they were to be paid?
---You've got one, you've got one payment when they actually started the employment, and one, I assume, when they got their visa or some time after their employment, a three-month period.

And so you have this meeting in, I think you said, the Sheraton.---Yep.

Ms Wang is present, you're present, Mr Ding is present?---Yes.

10 Anyone else present?---There was a lady. Monika I think was another employee of Ausky.

And what was Monika's role, as you understood it?---Well, she seemed to have the paperwork.

So you have a recollection of signing some paperwork during the course of that meeting. Is that right?---Yeah.

20 And do you recall the nature of that paperwork? It sounds like it's not the agreement for training document.---No. No, it was (not transcribable)

It sounds like something else.---Because I think Daniel signed it as well so it might have been some sort of employment agreement.

And so your understanding of the purpose of this meeting as you were coming in was what?---Well, I wanted to meet him so, yeah.

30 So coming into the meeting this is a human that you're expecting in your office sometime soon. Is that right?---Yeah. Correct.

But are you saying that it became clear to you during the course of the meeting that that just wasn't going to happen?---Yes, yeah.

And can you recall anything that either Ms Wang said or perhaps Monika said or even Mr Ding said in relation to that matter?---I can't recall what it was. It might have been after the meeting Maggie might have had a few words to me about it. It might have been during it. It might have been before.

40 But one way or the other, whatever words were used, you came into the meeting thinking that you're going to have a human in your office sometime soon?---Yeah.

You come out of the meeting knowing that that's not going to happen?
---That's right.

You come out of the meeting with an envelope of cash?---No.

So that comes later?---It must have, yeah.

In terms of the physical delivery of the cash, did that always happen at your office or sometimes happen in Sydney or was it a combination between the two?---Oh, it was generally in Wagga or in Sydney.

And was it always Ms Wang who would do the physical delivery of the cash or was that sometimes done by someone else?---No, it was Ms Wang.

10 On each and every occasion when there was an envelope of cash, it was cash provided by Ms Wang?---That's right.

And not by anyone else?---Yeah.

You referred to a Monika before.---Yes.

Could that be a Monika Hao, does that name ring a bell?---Not really ring a bell but, you know, there was a Monika involved, I know that.

20 I think you said before that she might have had something to do with the paperwork. Are you able to assist us as to whether she did anything else other than the paperwork?---No.

As far as you could see it, Monika was effectively an offsider of Maggie and Maggie was taking the main running. Is that fair?---That's how I saw it.

Can we go please to page 19 of Exhibit 179. I wonder, Commissioner, whether you wouldn't mind sitting a little bit into lunch. I'm - - -

30 THE COMMISSIONER: If you think we can finish Mr McLaren if we do?

MR ROBERTSON: I still have a little work to go but I'm mindful that both of the two witnesses today have come up from Wagga Wagga so it may be that - - -

THE COMMISSIONER: By all means.

40 MR ROBERTSON: - - - maybe that I can't finish Mr McLaren by lunch but we can borrow a little bit of time into lunch with the view of getting people away today. I apologise for that. Do you see there a letter from the Department of Immigration 27 January, 2014 to you, Mr McLaren?---Yes, I do.

Do you recall receiving that document or a document that looks like it?
---Not specifically, no, sorry.

Let's just go back one page. So we're now in November of 2014. So I'm going a little bit back in time but I wanted to try and fix a time in relation to

the meeting you referred to before and you see it says, "I have had two emails today from people applying for the accounting job with Miller & James." Do you see that there?---Yeah, I do, yes.

And so is that the email that you were referring to a little bit earlier this morning when you said there were some occasions in which you actually got applicants?---Yes.

And you then drew that to the attention of Ms Wang?---Yes.

10

And what did Ms Wang tell you to do in relation to ads of that kind?---Oh, just ignore them.

THE COMMISSIONER: What's (not transcribable)?---I don't actually know. Yeah, I don't know. It's some, some employment site I guess.

MR ROBERTSON: Now go to page 23 please. You see there a letter on a Redwin Farming Trust letterhead?---Yeah. That's not our Redwin, that's not our letterhead but that's all right.

20

And so do we take it from that, that you weren't the author of the document that we can see on the page?---Correct.

Do you know who was?---Well, I'm assuming it was someone within Maggie's organisation.

And I think you said to us before in terms of the text of documents associated with this immigration scheme, that was done at the Maggie Wang end, not at your end. Is that right?---Yes, correct, yep.

30

And just have a look about eight-tenths of the way down the page. There's sentence that says, "We have tried our best to find - - -"---Yes.

Do you see that there, "We have tried our best to find a qualified person to occupy this position but we have failed up to the time that we found Mr Xiao Ding." Do you see that there?---Yes, I do.

Is that true or false?---Well, I am assuming if it was written by Maggie's organisation that there had been some sort of advertising campaign done. I certainly hadn't done anything.

40

You didn't try your best to find a qualified person. Correct?---No, I did not, that's correct.

You left that to Ms Wang to do whatever she was going to do in relation to this matter. Is that right?---Yes.

Now, Mr Ding was just a recent finance graduate, wasn't he?---Correct, he was.

So you've got no reason to think that there's some general dearth of finance graduates in Australia?---No, that's true, but perhaps not many of them want to work in Temora, but that's a different story.

But you didn't know one way or the other in relation to that matter - - -?
---No, I didn't.

10

- - - because you didn't advertise the position yourself.---No, I did not.

You left it to others to do. Correct?---That's right, correct.

And when you actually received some potential applications, at least for Angus and James, you didn't chase them up. You spoke to Maggie and Maggie said, "Don't worry about it."---That's right.

20

So at least at that point in time you must have known that something was at least smelling a bit fishy.---When are we there, 28 November. Yes, yeah, 'cause I would have been paid a bit of cash by then. Look, I was, yeah, I, but like I said, I still expected these people to turn up and it wasn't until 2015, March, or whenever Daniel was meant to start and he didn't show, or at that meeting, you know, a few weeks before, that the penny finally dropped. But yeah, I would have had my suspicions.

30

So as I think you said at the start, I'm referred by Mr Maguire, looks like a sensible business proposition, I've got potential business interests I want to pursue in relation to China, looks like good business proposition but I find out further information over time, it starts smelling fishy, it starts smelling very fishy.---It's starting to smell fishy.

And then the real kicker is when it becomes clear that in particular Mr Ding isn't going to show up.---Yes, yeah.

And it wouldn't have helped of course that envelopes of cash are being passed around.---No, exactly.

40

And in relation to documents like the one that we saw on the screen, did you read them carefully and work out whether you thought they were accurate or not or did you, at least when they're presented to you by Ms Wang, did you just say, all right, that's fine, just send it, and away you go?---Yeah.

THE COMMISSIONER: Are you referring to the one that was just on the screen?

MR ROBERTSON: I was.

THE COMMISSIONER: Did you ever see that document, Mr McLaren?
---I probably did. I can't recall, but I probably did and to answer the question over here on my right, the latter, I didn't read them word-for-word.

MR ROBERTSON: So from time to time at least you were shown documents that Ms Wang was going to send to the Immigration Department or others. Correct?---Yes, correct.

10 You may have had a bit of a look at them but you didn't analyse them carefully. Is that right?---That's, that's right.

Did you ever receive any of the documents and go, look, hang on, this is just not right, and go back to Ms Wang and say, "I think you need to amend it"?
---I don't remember actually. Possibly not.

You at least knew that Ms Wang was giving some false information to the Immigration Department on your behalf. Do you agree?---No, not specifically. False information. Have you got an example?

20 Well, I'll show you some documents in a moment.---Okay.

But before we get to the documents, do you accept that for at least some of the documents that you saw, they contained information that was not true?
---I accept that that is possible.

30 Go to page 36, please. I propose to do about five minutes more, Commissioner, in relation to this particular employee. I then need to do another category, but if you wouldn't mind sitting into lunch a little bit in light of the late start.

THE COMMISSIONER: Yes.

MR ROBERTSON: Because I want to do my best to get both people on a plane this evening.

THE WITNESS: I appreciate that, thank you.

40 MR ROBERTSON: Mr Duffy in particular I'm seeking to get on a plane this afternoon, as well as Mr McLaren. 26 January, 2016. "Just letting you know, Daniel did a great job for us." Do you see that there?---Yeah, I, I do see that.

Why did you say, "Daniel did a great job for us"?---I tell you why I did that, because I was trying to cover my butt, and at that stage I knew that it was a scam, and so I thought it might be a good idea to write something like that.

So you thought, now's a good time to prepare a little bit of a paper trail, so that the scam with which I've been involved looks a little bit less like a scam, is that right?---Correct.

And then just turn, so the next page. Do you give the same explanation in relation to the email of 17 December, 2018, 1.41pm? "He was a great guy"? ---Yeah. Yep. Correct. Yep.

10 So the context of this email chain seems to be you're trying to actually get some documents together, if you just have a look at Ms Wang's email to you, she's coming back and saying, "I don't have documents, I've left Monika's company," et cetera, do you see that?---Hang on, I remember that I don't have - - -

20 If you just have a look at Ms Wang's email to you.---I, I, I actually think she's, she was genuine there. She may, she may not, she may have – I don't know, maybe she had 50 of these things on the run and she couldn't remember who Daniel was and she needed some information, so she's asking me a legitimate question, I don't know.

Just pardon me for a moment.---I'm not sure, well, oh, maybe she's just doing what I was doing. I don't know.

Well, it seems like it's a response to a request for certain documents from Ms Wang. Is that - - -?---Well, she - - -

But in any event, at least in relation to the 2016 communication – we might just go back to that one, the 2016 one.---Yep.

30 You're at that point trying to set up a bit of a paper trail in circumstances where you've been part of a scam, is that right?---Yeah, I was, yeah, I was quite uncomfortable about it.

And then page 25, please. December, 2014. Monika received a letter from the Immigration Department requiring clarification, et cetera. Do you see that there?---Yes.

40 And so is this an example of something that happened at least a few times in the course of this scheme, that you might be asked for information or be sent documents, but by and large you just did what colloquially might be called tick and flick, you might have had a quick look at it, but you left it to the Wang side in order to take care of - - -?---Yep. That's right.

- - - of matters of this kind.---Yes. Yep, yep.

So it's quite possible that there was some false information being provided to the Immigration Department in that context, is that right?---Possible.

But again, you'd only really, whilst there was information suggesting this was fishy, it certainly dawned on you at the time of the meeting that you explained with the Commissioner, when it became clear that Mr Ding wasn't going to turn up at all.---Yeah. Yep.

Is that right?---Correct.

Is that a convenient time?

10 THE COMMISSIONER: Yes, shall we resume at 2.00pm?

MR ROBERTSON: May it please the Commission.

THE COMMISSIONER: Very well. So we're going to take a slightly shorter lunch than usual, Mr McLaren, to ensure that you and your other Wagga colleague or maybe this other Wagga resident can return this evening.---Okay, fine, thank you.

20 So can you make sure you are back by 2.00pm?---I'll be back before then, thank you.

We'll now adjourn.

LUNCHEON ADJOURNMENT

[1.09pm]