Queensland
Government

COMMISSION OF INQUIRY INTO THE CFMEU AND MISCONDUCT IN THE CONSTRUCTION INDUSTRY

COMMISSIONED UNDER THE PROVISIONS OF THE COMMISSIONS OF INQUIRY ACT 1950

PUBLIC HEARING
BRISBANE MAGISTRATES COURTS

FRIDAY, 31 JULY 2026
AT 09:00 AM

DAY 41

APPEARANCES

Mr S Wood AM KC – Commissioner
Mr P Wheelahan KC – Counsel Assisting
Mr S Jenkins – Counsel Assisting
Mr D de Jersey KC – Counsel for the State of Queensland
Ms S Amos – Counsel for the State of Queensland
Mr S Wilson KC – Counsel for M1 Trades and Labour Group
Ms R O'Gorman KC – Counsel for Michael Ravbar and Kane Lowth
Mr C Massy – Counsel for Michael Ravbar and Kane Lowth
Mr C O'Grady KC – Counsel for the CFMEU Administration
Ms A Hughes - Counsel for the CFMEU Administration
Mr A Duffy KC – Counsel for The Honourable Grace Grace MP
Ms K Hillard – Counsel for The Honourable Grace Grace MP
Mr Geoffrey Watson SC – Witness

<THE HEARING RESUMED AT 9.00 AM

COMMISSIONER: Take appearances. Mr Wheelahan, you appear with Mr Jenkins as counsel assisting?

MR WHEELAHAN: Yes, Commissioner.

COMMISSIONER: Mr Wilson, you appear as counsel for the M1 Trades and Labour Group?

MR WILSON: If the Commissioner pleases.

COMMISSIONER: Ms O'Gorman, you continue to appear with Mr Massy for Mr Ravbar and Mr Lowth?

MS O'GORMAN: Thank you, Commissioner.

COMMISSIONER: Mr O'Grady, you continue to appear with Ms Hughes as counsel for the administrator of the CFMEU?

MR O'GRADY: Yes, Commissioner.

COMMISSIONER: Mr de Jersey, you continue to appear with Ms Amos for the State of Queensland?

MR DE JERSEY: Yes, Commissioner.

COMMISSIONER: And Mr Duffy, you continue to appear with Ms Hillard for the Honourable Grace Grace MP.

MR DUFFY: Yes, sir.

COMMISSIONER: Mr Wheelahan.

MR WHEELAHAN: Thank you, Commissioner. We're grateful for the early start as this is the last day of cross-examination of Mr Geoffrey Watson SC. An application was filed by Mr Wilson KC to cross-examine dated 15 June 2026, and that's supported by an affidavit of Michael Portia dated 9 July 2026. You'll find that affidavit behind tab 1 of a tender bundle titled Relevant Documents Watson SC Report. Do you have that, Commissioner?

COMMISSIONER: Yes, I've got that.

MR WHEELAHAN: This has been provided both to Mr Wilson KC, and the second person who will cross-examine is Ms Ruth O'Gorman KC. She has also been provided a copy. It has been redacted in accordance with the non-publication order number 1, and I would like to tender that bundle into evidence and have it marked as

GW-19, as the last exhibit for Mr Watson on the last occasion he was here on 26 April of this year was GW-18.

COMMISSIONER: Thank you. Is there any objection? No.

MR WHEELAHAN: There's also a supplementary bundle titled Supplementary Bundle Watson SC Report, and that has also had redactions applied in accordance with non-publication order number 1, and I would like to tender that and have it marked as GW-20.

COMMISSIONER: Well, let me identify this GW-19 first. How do I describe it? 346 pages of what? Various documents? Is that how I describe it?

MR WHEELAHAN: I would call it the Relevant Documents Watson SC Report as the folder has been titled.

COMMISSIONER: All right. Very well. 346 -

MR WHEELAHAN: Numbered pages, I should say. There are actually four additional pages at the front. The numbering starts at the fourth page in red, and that's for the purposes of the operator.

COMMISSIONER: All right. 350-page bundle of various documents entitled Reference Documents Watson SC Reports will be GW-19.

<EXHIBIT GW-19 350-PAGE BUNDLE OF VARIOUS DOCUMENTS ENTITLED REFERENCE DOCUMENTS WATSON SC REPORTS

MR WHEELAHAN: Thank you, Commissioner. The second bundle is titled Supplementary Bundle Watson SC Report, and that is 63 pages.

COMMISSIONER: Is there any objection? 63-page bundle of various documents titled Supplementary Bundle Watson SC Report will be exhibit GW-20.

<EXHIBIT GW-20 63-PAGE BUNDLE OF VARIOUS DOCUMENTS TITLED SUPPLEMENTARY BUNDLE WATSON SC REPORT

MR WHEELAHAN: Now, Commissioner, as to the time allotted to the parties by letter, I have undertaken to be no more than 30 minutes; presently, Mr Watson SC, one hour 45 minutes; and the remainder of the day to Ms O'Gorman.

COMMISSIONER: Mr Wilson?

MR WHEELAHAN: Yes, sorry.

COMMISSIONER: I understood who you were talking about.

MR WHEELAHAN: Now, I wish to draw your attention to five matters, and if Mr Operator - if you could -

COMMISSIONER: Is this before Mr Watson gets in the witness box?

MR WHEELAHAN: Yes, and then I will have Mr Watson affirmed in the witness box, given the passage of time, and I will have three questions for him before cross-examination commences. Mr Operator, could you bring on screen page 1 of GW-19. This is the affidavit of Mr Portia in support of the application to cross-examine, and in particular, could you please enlarge paragraph 9.

COMMISSIONER: Is that how you say his name? I would have said Portia, but that's -

UNIDENTIFIED SPEAKER: Portia.

COMMISSIONER: It's Portia. You say tomato, I say tomato.

MR WHEELAHAN: I said Portia until I was instructed by others that I was wrong and changed it to Portia. I'll revert to what I thought it was.

COMMISSIONER: All right. Very well. Mr Portia. I think we're all agreed now.

MR WHEELAHAN: Thank you. Now, Mr Operator, if you could enlarge the part commencing when M Group Trades and Labour Pty Ltd commenced business. And I'll read it whilst he's doing that, and this is the point. Mr Portia says himself the following:

"Mr Gatto, through his company Arbitrations and Mediation Services Pty Ltd, was allocated 25 shares, as the directors had been advised they would find it difficult to have their workers engaged on a CFMEU site without the intermediary of Mr Gatto."

He goes on, the second part:

"On 21 December 2016, Arbitrations and Mediation Services Pty Ltd transferred its 25 shares to Taggo Pty Ltd, a company associated with Mr Gatto's daughter Sarah Awad, with no special or extra payment to Mr Gatto over or above the face value of the shares."

And then scroll down, concluding:

"Until the shares were later transferred to Portia Nominees at face value."

Now, the second matter I want to draw to your attention, Commissioner - and Mr Operator, this is at page 51 of GW-19, if you could have that brought on screen, please, and if you could move to paragraph 852. Having brought the affidavit of Mr

Portia, what he says to your attention, this is an extract from Mr Watson SC's report Rotting from the Top, and at 852 it's instructed that he says:

"When the original M Group entities were set up, they were established and observed by Gatto's company Arbitration and Mediation Services Pty Ltd. It is true that Gatto then ostensibly sold his shareholding, but he sold it to a company named Taggo Pty Ltd. The shares in Taggo are owned by Sarah Jane Awad. Her maiden name was Sarah Jane Gatto. She is Mick Gatto's daughter."

And at 853, just the first line, he says:

"Since then the directors of the M Group companies have been Tony Paragalli and Michael Portia - who are clearly frontmen for these and other Gatto business ventures."

Now, he footnotes a number of ASIC reports, and the proposition -

COMMISSIONER: That's something Mr Paragalli and Mr Portia dispute, I take it.

MR WHEELAHAN: What they dispute is that they are frontmen or dummy directors.

COMMISSIONER: But the first bit, 852 you just took me to, seems to be supported by Mr Portia's own affidavit which you took me to first.

MR WHEELAHAN: Yes, on a factual basis, save for "Mr Watson SC says ostensibly". So it's the inference that Mr Watson then draws. And that is part of what we have been notified will be Mr Wilson KC's cross-examination.

COMMISSIONER: I understand. Yes.

MR WHEELAHAN: GW-19, the tender folder, contains relevant and publicly accessible ASIC records to these paragraphs of the Watson Report, and in that folder - I'm not going to read it this morning - there's an aide-mémoire at annexure S-3, Commissioner, which is sourced from those ASIC extracts in exhibit GW-19. Now, the third matter I wish to draw your attention to is that no date was given by Mr Portia in his affidavit as to when shares previously held by Taggo Pty Ltd, a company associated with Mr Gatto's daughter, were transferred to Portia Nominees at face value. Now, if I could have brought on screen -

COMMISSIONER: You just took me to that paragraph, didn't you, where you said this shareholding was left in abeyance until the shares were later transferred to Portia Nominees.

MR WHEELAHAN: Correct. That's in the affidavit. Later, but no date.

COMMISSIONER: Yes.

MR WHEELAHAN: So, Mr Operator, if you could bring on screen page 102 of GW-19. It's a bit small. We might enlarge the first half of that. Taggo Pty Ltd, earliest date of change, 25/11/2024, and you will see there the share decreased by 25 shares, and then the second half of that document, Mr Operator -

COMMISSIONER: So 18 months ago. Is that -

MR WHEELAHAN: Yes.

COMMISSIONER: Or a bit more.

MR WHEELAHAN: Yes. Now, the fourth matter, Commissioner, I want to draw your attention to is the link between Victoria and Queensland with respect to these matters. And if I could have brought on screen page 4 of exhibit GW-20, please, this is a LinkedIn post - Mr Operator, if you could enlarge it even further - from M1 Traffic and Labour and the first line in particular.

COMMISSIONER: What page are we on, sorry?

MR WHEELAHAN: Page 4 of GW-20, which is the supplementary tender bundle.

COMMISSIONER: Yes.

MR WHEELAHAN: Obviously, it says what it says:

"We're excited to announce that M1 Traffic Control is expanding into Queensland."

If you can enlarge the next paragraph and the one after - sorry, the last one:

"That expansion is being led by our general manager, Jordan."

His surname is Paragalli. Then if you could show on screen pages 5 and 6, just to draw this to your attention, Commissioner. It's a reiteration, in LinkedIn posts again, of the expansion and opening up for business in Queensland. Now, Mr Operator, could you please bring up page 339 of GW-19. Commissioner, this is an ASIC extract for M1 Traffic Control Queensland - Qld - Pty Ltd, and Mr Jordan Paragalli is a director of that entity. And at page - I'll just wait till you have that open, Commissioner.

COMMISSIONER: Thank you. Yes.

MR WHEELAHAN: Yes. You'll see the directorship there: Jordan Paragalli. Then if we turn to page 339 -

COMMISSIONER: Sorry, I'm just a bit slow. Where do I see that? 339?

MR WHEELAHAN: The previous page.

COMMISSIONER: 338.

MR WHEELAHAN: Could you enlarge that, Mr Operator, please. The directorship. There it is.

COMMISSIONER: 340. Yes, I see. Jordan David Paragalli.

MR WHEELAHAN: Yes. And then at page 341, relevantly, the shareholding of this Queensland company, 50 shares held by Portia Nominees Pty Ltd.

COMMISSIONER: What page again, sorry? 341?

MR WHEELAHAN: 341.

COMMISSIONER: Yes, I see that.

MR WHEELAHAN: And the other 50 of 100 shares held by JTBPC Para Pty Ltd. And what I can tell you - and this proposition is supported and made good by the extracts within the exhibit - Mr Paragalli is a director of JTBPC Para Pty Ltd, and Mr Portia is a director of Portia Nominees.

COMMISSIONER: Which Paragalli? Paragalli the elder or Paragalli the younger?

MR WHEELAHAN: Michael, the elder.

COMMISSIONER: Michael. What's the relationship between Jordan and Michael Paragalli?

MR WHEELAHAN: Father and son.

COMMISSIONER: Father and son. So Michael Paragalli is a director of JTBPC Para Pty Ltd?

MR WHEELAHAN: Yes. May I move on?

COMMISSIONER: Yes.

MR WHEELAHAN: Fifthly, as to various labour hire licences, traffic management licences, Victorian Government contracts, I note that M1 Trades and Labour still holds a Victorian labour hire licence with no conditions being placed on that licence. Now, again, for brevity, GW-20 contains relevant documents dealing and supporting that proposition. Now, Commissioner, it's been agreed that you should now rule that Mr Wilson KC have formal leave to cross-examine Mr Watson SC, and before that cross-examination commences, I would ask that Mr Watson SC be re-affirmed and I ask him three questions.

COMMISSIONER: Very well. You've made a written application, Mr Wilson. There's no objection to it, I understand.

MR WILSON: No objection, your Honour. Sorry, Mr Commissioner.

COMMISSIONER: I don't mind "your Honour".

MR WILSON: May have been premature, your Honour.

COMMISSIONER: You want to recall Mr Watson?

MR WHEELAHAN: Yes, and given the passage of time, he has asked that he be re-affirmed.

<GEOFFREY WATSON, RE-AFFIRMED

<EXAMINATION BY MR WHEELAHAN

COMMISSIONER: Please take a seat, Mr Watson. Mr Wheelahan.

MR WHEELAHAN: Thank you. Mr Watson, I'm going to first three questions. The first one is some time has passed since you were last before the Commission on 23 April 2026. In that time, the Victorian Government, as you know, has criticised your allegations as to corruption and other matters related to the Big Build. Has anyone from the Victorian Government contacted you to discuss your report Rotting from the Top?

MR WATSON: No. Nobody from the Labor Party has contacted me at all to discuss that. They made those statements to the press without asking me anything about how I arrived at the report, what I'd done to achieve the report. Nothing. And as you say, they were bitterly critical remarks. It's hard to read them as being any less than they were suggesting I made it up.

MR WHEELAHAN: The second question I want to ask you is - and I'll put it broadly - Mr Portia in his affidavit essentially says that your allegation that Mick Gatto is the hidden owner or controller of M Group is false. What is your response to that?

MR WATSON: Well, first of all, I'll say this: there are seven things in Mr Portia's affidavit where he has said I made false statements. Note those words. He didn't say "mistaken/wrong". He said "false" as though it was deliberate. I'm here, very happy to answer every single one of them, but that one in particular I want to address in some detail, because it seems to be the central allegation that I've somehow concocted a false report. Commissioner, I made some notes. Do you mind if I refer to them?

COMMISSIONER: No.

MR WATSON: I think I've got to divide the answer into two parts, by the way, that is, what I knew at the time that I finalised the Rotting from the Top report and what I've found out since. But I will just give you a broad summary. No, I don't withdraw from those remarks. I might reframe one in a slight way, but now, especially with what I've found out since, more than ever, it is my view that all the evidence points to Mick Gatto controlling the M Group companies. I'll tell you what I had, first of all, and then I'll tell you what I received after Rotting from the Top was finalised. I'm afraid, Commissioner, it's a bit detailed. I'm afraid, Commissioner, it's a bit detailed. There are nine different things to which I'd point as being evidence upon which I based the conclusion and from which I drew inferences.

The first is a simple one. They were the repeated references in the press, especially in The Age, to the effect that Mick Gatto owned or controlled the M Group companies. Now, I appreciate that's only a starting point. If the press says it, I generally think that is probably reliable, because they've got so many fact-checking processes, and not only that, they're subject to defamation laws, so they're a reliable source. But principally it was work by Nick McKenzie, who's been proved to be accurate time and time and time again.

The second of the nine things in the first period, that is, at the time I finalised the report, was that I've been told by a number of informants that that was the case. I had any number of people who would tell me that they'd negotiated with Gatto over M1 contracts. They'd told it to me. One, Commissioner, told me even the name came from Mick Gatto. Think about it. M Group. Doesn't sound like Paragalli or Portia, but MG, the initials of Mick Gatto. I didn't include that in Rotting from the Top, because I thought it was too distant and I only had one person who told it to me. But it was something I was told.

The third is that I commissioned a large number of company searches to go through the background, the detail, to find those things out. You've just shown the Commissioner those, and tendered into evidence, I believe, a large number of company searches. I did all of that myself, and I worked my way through them, pieced it backwards to have a look at the corporate structure, an issue to which I'll return.

The fourth is that I was separately aware of other cross-investments between Paragalli, Portia and Gatto. The most obvious one, most serious one, is Jarrah Resources. Jarrah Resources was an Aboriginal business. I don't know. Maybe Mr Portia or Mr Paragalli is Aboriginal, but I'm pretty sure Gatto is not. But it got an Aboriginal business EBA from the CFMEU. That gives you a real advantage, because on the Victorian Government projects, certain businesses are favoured through the social, progressive framework for contracting. So Jarrah Resources was an important connection. I hope it's amongst your searches. It will show from the inception that Gatto was involved with Portia and Paragalli. So it's not limited to M

Group; it's plainly extending further. I'm going to come back, when I come to the material I've received since I finalised Rotting from the Top, to that issue.

The fifth thing that I was aware of were a series of highly suspicious transactions which involved Gatto, Paragalli and Portia. One was the transfer, which I've already highlighted, from Gatto to the company Taggo Pty Ltd. That, to me, is plainly an effort to disguise Gatto's involvement; that is, it's another company without an apparent connection to him. As I say, look at the searches, and you'll see that the director of that company is Sarah Jane Awad, A-w-a-d. You wouldn't know just by looking at it that it had anything to do with Gatto, but we do know, because of Jarrah Resources, that it's got a connection to him. I'll establish that, I'm pretty confident to your satisfaction, in a short while.

Not only is that a fairly crude attempt, but it's one which I'd seen as very typical of the things which Gatto did with corporate entities: use them as vehicles and disguise his involvement by having other people appear as the frontmen. Then there's this idea that - well, I'll come back to the timing in a moment. The other highly suspicious transaction was actually the transfer from Taggo Pty Ltd, which you've already pinpointed the date, is very shortly before the company went into administration. That seems just very convenient. It's very shortly after Nick McKenzie published the original Building Bad articles, which I think were July 2024, and I think you just showed that the transfer was November 2024; in other words, the Gatto name was being removed from the company. That timing and the arrangement I thought was suspicious, but I'm going to come back to that as well, because you've just -

COMMISSIONER: Are you going to name the name of his daughter?

MR WATSON: I'm so sorry?

COMMISSIONER: Not the Gatto name, but the name of his daughter: isn't that what the transfer was on November 2024?

MR WATSON: It was from Taggo Pty Ltd to a Portia company. What happened in effect was that the company, this particular M Group entity, which was the key one, in which Gatto was an original shareholder, it went into administration shortly afterwards. The only person remaining with a connection to the company was Portia. Paragalli's name had been taken off it as well. And in the end - I'll come back to this in the second part - in the end, what it was is that Portia was fined by the Australian Taxation Office for, I imagine, offences; it's normally the basis for a fine. And that's never been explained, not even in the affidavit that they've put on, when they wanted me brought back here to be questioned about it.

The sixth thing I had was that I was aware that Gatto was repeatedly involved in dodgy corporate deals, in his own life. It's notorious. He posts about it. He's had fights with the Tax Office. Companies that he had have gone bust, owing hundreds of thousands or even millions to the Tax Office, and he himself has openly discussed how the Tax Office came and audited him, as a result of which he had to pay millions of dollars. You'll work out where this is going.

I'm also aware from the other work that I did when was preparing Rotting from the Top that Gatto was involved in a number of other sham companies with frontmen directors. Now, these are mentioned in Rotting from the Top. They featured on a 60 Minutes episode, because there was a search warrant exercised or executed by the Australian Federal Police over an accountant, Charles Pellegrino, and over the person who had been the dummy or sham director of a group of companies, called Anthony Malcolm.

In other words, this is something that Gatto does. He does it all the time. He sets up people as frontmen for dummy companies. I was aware that through these dummy companies, that Gatto was receiving what was called retainers, that people were being issued with invoices for consultancy work, and he was being paid a regular basis. In Rotting from the Top I mention this and how I didn't have information but I was convinced there was a lot of money involved. Well, I'm going to return to that issue as well.

I should also tell that you I wasn't doing this alone. I was speaking on a regular basis to the people at Taskforce Hawk and at the Australian Federal Police. I had excellent relations with those people, who, by the way, I respect greatly. Really good people. And who've been doing the best they can in difficult circumstances. But I spoke to them about these issues as well, and that convinced me that everything I knew about M Group and the M Group companies was just part and parcel with the typical Gatto business model.

The seventh thing to which I paid attention was the structure of the M Group companies. If you have a look at it - and I'm not sure whether you've done the searches; I don't even know whether M Group has bothered doing them, but I did. I did the searches to get the administrator's report, and I also looked at the affidavit which was sworn. That came later. But if you look at the administrator's report and you start getting a feel for the companies, you'll see that what happens is the company, which is M Group Trades and Labour Pty Ltd, was effectively set up as a shell which did no more than take the tax burden.

That affidavit that you were reading - I've forgotten whether it was Portia or Paragalli swore it, but I'll come back to it - but it says that it did one thing. It took up the tax burden. Then I saw - and I described it as a collapse; I stand by that word - I saw that it had run up a debt to the Tax Office. The Australian Tax Office was owed $13 million by that company. Now, as you probably know, you don't have to pay tax if you don't make profits. So there were profits in that company which had generated a tax debt of $13 million. I'm going to come back to this issue, I'm afraid, with some detail.

What I should tell you is that idea of having a company which simply runs up a tax debt but does not carry out the business - and that's what happened here with the M

Group companies. That's a Gatto model from way back. And he's had companies collapse time and time again. Elite Cranes is a pretty famous one down in Victoria. What happens is there will be second, third and fourth companies with a very similar name which then take over the profit-making work.

Now, when I have that in my mind as the model, I did the searches and I went into the detail of it. Commissioner, I'm sorry to labour this, but I think it's important. Have a look at the companies which are included in your searches. Of course, there's M Group Trades and Labour Pty Ltd, but these are other companies which have the name M Group Trades and Labour in them. There's M Group Trades and Labour Services New South Wales, M Group Trades and Labour Services Victoria, Queensland and Metro. So there you have these companies with very similar names.

As soon as you see that, if you've done the kind of work that I've been doing now for two decades, it sets off alarm bells, because in the building industry, this is classic phoenixing, where you've got the one company which collapses owing the tax debt, and somebody else takes over. Meanwhile, I was being told that by witnesses. I included that in Rotting from the Top, that people were ringing me and saying, "Gatto's business has been placed into administration. The same men are here working for M Group today, but it's a different M Group company."

It's not only that. I've just given you the five companies which have M Group in them. Then there is a strange large number of other M companies, which have Portia and Paragalli apparently in charge. Sorry to be boring, but I'm going to read them to you. M1 Trades and Labour. M1 Traffic Control. M1 Traffic Control Greater Bendigo. M1 Traffic Control Metro. M1 Traffic Control Goulburn Valley and M1 Traffic Control Geelong. M1 Access Hire. M1 Intellectual Property. I wonder what that holds? M1 Joint Ventures and M1 Security Services. That kind of structure sets off a red alert in tax areas but also in corruption areas.

The eighth matter upon which I relied was the way in which M Group went broke was the classic way this has been done by Gatto before. I spoke of the $13-million debt. One of the M Group companies went bust owing just under a million already. No recovery by the Tax Office. But here, this one went into administration. When I went and obtained the administrator's reports, it showed a number of very serious, concerning matters. First of all, the administrator in the reports has said if the company was put into liquidation, the recovery could be as low as two cents in the dollar. In other words, having run up a $13-million tax debt, the company had been run into the ground to that degree.

Now, it's true - this was in the affidavit - there's been a company restructuring, and there's a deed of company arrangement, which has been entered. And what it will do is - by the way, the affidavit's wrong. This money has not been paid. Some of it has been paid, not all of it. But if it's paid, it will produce 42 cents in the dollar if everything works out well. In other words, you've got a classic tax scam where you go to the Tax Office and you say, "Right. Put us into liquidation, and you'll get two cents in the dollar. Come with us on a deed of company arrangement, and you'll get

42 cents in the dollar." That's negotiating while you're holding a gun in your hand. The Tax Office is there saying, "What will we do? Will we take 6 million or will we take nothing?"

But the net effect of it is this: as a result of it, the company which owed $13 million in tax will escape by paying $6 million. Where did the rest go? I can't tell you; I didn't have sufficient power. I hope, Commissioner, this organisation here may do it. I think that down in Melbourne, given a recent announcement, they will be interested in it. This is a classic tax-dodge model. It's something that Gatto's done before. I go a step further, because this is quite important, when I get to the second part. In each of the reports filed by the administrator, they point out that it was probable that the company was trading while insolvent.

Now, by the way, I don't think you need to be Albert Einstein to work that out. If it's run up a $13-million tax debt, and if it was wound up, and it's only going to recover two cents in the dollar, obviously it's been trading while it's been insolvent. That of course is a serious corporate offence. By entering into the deed of company arrangement, that's effectively forestalled any investigation by the corporate regulators in what looks like it was a serious instance of insolvent trading. I might say, it's also a fact that had Taggo remained a shareholder, it too could have been drawn into a prosecution relating to insolvent trading: yet another good reason why you would want to forgo your shareholding. So that was a powerful influence for me.

The ninth is that - and I'm sorry to say this, Mr Wilson, they're your clients, but there was the general chicanery of Portia and Paragalli. Portia has been a director of 27 or 28 companies. I've forgotten the exact number. At one stage I had it. It's probably in Rotting from the Top. Paragalli a director of 34 or 35 companies. That won't sound unusual in its own right, but it's the diversity of their business interests. These people are marvellous. Portia has companies which have got in their names enough to suggest that he's been involved in asset management, building services, telecommunications, logistics - that normally means trucking - something called the Malt Society, the Longford Business Park and another one called the Jive Store. He has also had a business called Elite Training and assessment.

To me, maybe I've just got a dirty mind, but I hear the word elite in companies which I know have got some sort of association with Gatto, and I think back to the days of Elite Trains. Meanwhile, Paragalli, amongst his 30 or 34 companies, had Bliss Beauty Care, the Produce Company, Australian Permeable Concrete - look, I'm not an expert, but I think the last thing you want your concrete to be is permeable, but anyway - Bobby Dazzlers Australia, and Bull Roarer Technologies.

But my favourite is Wallenius Wilhelmsen Solutions Pty Ltd. Now, some people in the room will know that Wallenius Wilhelmsen is a Scandinavian-based transnational, one of the largest shipping companies in the entire world. But good on Mr Paragalli; he seems maybe to own it as well. I look at that activity, that setting up of numerous companies under different numbers, and just wonder: are these really people engaged in traffic control on Melbourne building sites?

They're the nine. You will be pleased to know there are only four that I've received since. I'm going to go through them, Commissioner, if I may. I've got no doubt now that these companies are under the control of Mick Gatto. None. He's got control over them. Things which have happened since prove that to me. There is something I would like to correct in my report. I probably shouldn't have said Mick Gatto owned them. I should have conceded it's probable that Paragalli and Portia also own part of it. But he certainly controls them.

The first thing that I would point to is this extraordinary matter which appears in the affidavit which was sworn to get leave to come here. Now, that affidavit was sworn on 15 June 2026. It was apparently prepared by lawyers, and presumably done with a degree of care. I know you could read it for yourself, but I'm going to read out loud, because my -

COMMISSIONER: Which affidavit are we talking about here?

MR WATSON: This is paragraph 9. My integrity has been challenged here.

MR WHEELAHAN: Sorry -

MR WATSON: Sorry, the affidavit of Michael Portia, which is annexure A to the application for leave to cross-examine Watson.

COMMISSIONER: I've got a date of 9 July 2026. You gave a different date.

MR WATSON: I have trouble hearing you, Commissioner, sorry.

COMMISSIONER: Sorry. The date of the affidavit I've got in front of me from Michael Portia is 9 July 2026. You gave a different date.

MR WATSON: I've got one in my hand which I'm looking at now which was sworn in Essendon on 15 June 2026 and witnessed by David Peter Blunt, an Australian legal practitioner.

MR WHEELAHAN: I can explain that, Commissioner. That original affidavit had an error or errors as to the particular names of companies in the very affidavit itself, M Group companies, and that was corrected by this latter affidavit.

MR WILSON: Your Honour, we accept that the affidavit is the one referred to as 15 June that the witness is referring to.

COMMISSIONER: All right. Very well. I just don't have a copy of it.

MR WHEELAHAN: No, you won't. You won't have a copy.

MR WATSON: You won't need it, I think, because this remains constant between the two. I'm very glad Mr Wheelahan reminded me of that, because I thought it was ironic here, I've also received private correspondence saying that they're going to sue me and they kept getting the company names mixed up, and in their own affidavit they got the M Group company names mixed up. That's exactly what that sort of morass of M Group companies is designed to do, and they tricked themselves. They also corresponded with VIDA, the Victorian Infrastructure Delivery Authority, and in the correspondence between the M Group companies and VIDA, VIDA had to point out to them, "You've got your companies mixed up." So there we are.

Now, that's not the point I'm trying to make. There was this extraordinary statement made in paragraph 9, and it's in both affidavits, and I'm going to read it, because this is where they're saying, "We've got no connection with Gatto." They go on to explain:

"However, when M Group Trades and Labour Pty Ltd commenced business..."

And it says:

"...(its business to hold employment contracts for the M Group workers and thereby be responsible for paying PAYG tax).

COMMISSIONER: We might just pull paragraph 9 of the 9 July 2026 affidavit up on the screen so people can follow.

MR WATSON: Well, you'll see what I'm reading from here is if you look at the second sentence:

"Gatto has no ownership, interest, beneficial or otherwise. However, when..."

And then it's got those words that I used. So when it commenced business, M Group Trades and Labour Pty Ltd, Mr Gatto, through his company Arbitrations and Mediation Services Pty Ltd, was allocated 25 shares, as the directors had been advised that they would find it difficult to have their workers engaged on a CFMEU site without the - I don't know what that means - intermediary of Mr Gatto. I know what it's intended to mean. In English, it would be "without the assistance or intervention" by Mr Gatto.

Could I just make the point, this is a business which was commenced by an act of corruption. They could not, in their own name, get an EBA from the CFMEU, for whatever reason. It might have been the CFMEU.

MR WILSON: I object to this evidence. On what factual basis is that assertion and allegation being made?

COMMISSIONER: Well, which bit do you object to, Mr Wilson? He said they couldn't get an EBA in their own name. I don't know who "they" are. Perhaps the witness can explain.

MR WATSON: On what basis? It's based, Mr Wilson, on 20 years' experience, working in the area of corruption, public sector corruption and corporate - don't laugh.

MR WILSON: I find -

MR WATSON: This has been a stressful time for me.

COMMISSIONER: Let's do this in an orthodox way.

MR WILSON: Let's hear some facts.

COMMISSIONER: There's an objection that's made. Do you want to explain the objection, Mr Wheelahan?

MR WHEELAHAN: No, Commissioner.

COMMISSIONER: Do you just want to explain the basis for what you say, Mr Watson.

MR WATSON: I received a letter from a lawyer, Stuart Gibson, or at least from that firm, which told me that the only connection between Mr Gatto and our clients - that's the M Group companies - is that his company - that's Gatto's company - was engaged on a strictly arm's-length contractual basis as an intermediary to facilitate dealings with the CFMEU which at the relevant time would not deal with M Group directly. So there's the factual basis, if you want it. I'll tender, if I may. I don't know whether I've got the power to do that. I don't have a lawyer.

MR WHEELAHAN: If you can just identify that letter, it may already be in one of the exhibits tendered.

MR WATSON: It's a letter addressed by Stuart Gibson Legal to me dated 8 April 2026. In other words, what they were doing was they were getting Gatto as an intermediary to deal with the CFMEU because they could not. So I can only deal with what I'm told. I presume the lawyer who sent that to me was being accurate.

COMMISSIONER: Perhaps you can get a copy of that correspondence and tender it after the break.

MR WATSON: I will. Unfortunately I've marked up this copy, but I probably have it somewhere on a laptop or something, so I could send it.

MR WHEELAHAN: Yes.

MR WATSON: So if you look at that, we now know the inception of M Group came through an ant where they were willing to give Gatto a substantial share - this is what they say in their affidavit - a substantial share, to get an enterprise bargaining agreement when they could not get it on their own merits. Now, that's exactly what I've been looking at in Rotting from the Top. This is coming afterwards, this affidavit. It just confirms what I always thought: that, in fact, the company was set up with Gatto as an initiator, a promoter of the company.

I might say, that matter in the affidavit is very similar to something which was told to Nick McKenzie and reported on by him in articles in The Age. You can find them there. He actually quotes, having spoken to one of either Paragalli or Portia, and being told precisely the same thing. So you've got a company which could not get an EBA without the intervention of Gatto. But if you go back to the affidavit and then have a look at what that company has done as a result of this, it's in paragraph 3.

MR WHEELAHAN: Mr Operator, can you bring that on screen, please?

MR WATSON: If you go to paragraph 3, it's a leading supplier of construction labour hire services on the Victorian government's Big Build. Well, that's come about through Gatto's intervention. That's important for other reasons, which I'll come to. Have a look at paragraph 4.

MR WHEELAHAN: Mr Operator?

MR WATSON: M1 Traffic Control provides traffic management services - I'm just going to pause there. To an outsider - I can tell you when I first came in to do this work, I thought that traffic management services were a minor thing. They're not. They're very, very lucrative. M1 Traffic Control supplies approximately 25 to 30 per cent of traffic management services on the Big Build. If you follow up with it, M1 Traffic Control has $20 million in capital equipment. Now, bear in mind, on their own affidavit, the company which went into administration is doing one thing: it's holding the liability for pay-as-you-go tax payments. Nothing else. All the benefits are in M1, the two M1 companies.

So, in other words, a company which - I said it; it's my opinion - which was conceived by an act of corruption has done this highly lucrative thing. Think about it for a moment. You do have to have a fairly successful business to acquire $20 million in only a decade, $20 million in capital equipment. Now, that's not all. I return to the fact that there was the share transfers.

COMMISSIONER: Are we still on point 1 of the things that happened after your report?

MR WATSON: Sadly to say, yes, but don't worry, we're getting there, Commissioner. I mean, really, it's something which I was stunned to see that these two people would come forward and suggest that I'd made this up. But I go back to, if you have a look at it, paragraph 9 of the affidavit, where they speak about the transfer of shares from Gatto to Taggo, or Gatto's company to Taggo - that's in paragraph 9 - and then they speak of the sale of shares from Taggo to Portia, from Sarah Gatto to Mr Portia.

Both those transactions are, at face value, $25. Now, true, the company hadn't been going that long when Gatto sold his shares. When he sold them, I'm going to suggest to you, on the basis of what I'm going to show you shortly, he sold them to himself. But just think about it now. In 2025 -

COMMISSIONER: '24.

MR WATSON: '24 - shares are being sold in that company which has accrued - it's been making enough money to accrue a $13-million tax debt. It must be a very valuable company. And what are they being sold for? Face value: one dollar. I would've offered Mr Portia and Mr Paragalli $50 to get a share of that very lucrative, obviously very lucrative business, for one of the leading - leading supplier of construction labour services operating in Victoria was sold for face value. That's just not a genuine transaction. Anybody can see that.

And then there's this idea - and I'm being repetitive, but it's come separately. Then that puts into perspective the fact that Portia was fined for the tax problem - over a million dollars. Pretty serious tax offence. And the connection between Awad and Gatto and the insolvent trading, that just convinced me that this was obviously crooked. I then have also taken a closer look at the deed of company arrangement and the like. I'm not going to go into that, because I've been raving on for too long and everybody's looking bored. This one is not boring. This is the sort of thing, when you're an investigator, you regard as gold, because it actually came from the man.

After Rotting from the Top was published, Gatto went on a radio program - I'm from Sydney; I don't listen to Victorian radio - and it was sent to me by somebody. He was interviewed by Jacqui Felgate. She missed her calling. She should be a barrister. She was very good. It was an interview between Gatto and Jacqui Felgate just shortly after the report is published, and they were speaking about the issue of Jarrah Resources. I referred to that company before. And during the course of it, I went back, in preparation for today, and listened to it again, and I wrote down what Gatto said.

While Jacqui Felgate is questioning him, he said - this is a quote - about Jarrah Resources: "We won this government work." Now, that's the first part of a sentence. I just point out the word "we". Now, Jarrah Resources had Taggo as its shareholder. In other words, he's saying "we", meaning, "We, Jarrah Resources, we Taggo." That makes that connection. The quote went on: "We won this government work. The moment The Australian went and reported that I was involved, we lost that work." I can tell you right now, that that use of "we" is pretty convincing to me. Gets better. He then went on to say, "And it cost us" - I underline the word "us" - "We lost that work and it cost us $250,000".

Now, this is talking about Jarrah Resources. But he went on, and then he stumbled. He realised, uh-oh, the cat and the bag just parted ways. He stumbled and he corrected it. He said "Oh, oh, it cost M Group $250,000." Now you've got the circle. You've got Gatto, Taggo, M Group. So he's saying, in respect of the company where he was saying "we" and "us", it cost M Group $250,000. Then a little later, just a few moments later, he said about - this is, again, talking about Jarrah Resources: "We set it up". Point out the word "we" is being used again. The fuller sentence is: "We set it up. It cost us a huge amount." And then he realised, "Oh no, I've done it again." You should hear it, because he goes, "Oh, oh, oh." This is a quote, "Oh, it cost M Group a huge amount to set it up."

So that's completed the circle for me, that he's obviously involved. But that's small beer compared to what I'm going to tell you now about the connection between Gatto and M Group. I have seen banking records. I've looked at them. They are genuine banking records. What I was shown was a single bank account of Gatto's company Arbitration and Mediation, that company. They showed, those records, regular payments being made by M Group to Gatto, through his company, from 2016, ie, from the inception of the company. They started slowly at first, as you might imagine they would with a company which is starting its way, but they built up and they became larger and regular. The record that I have ends in June 2025.

Now, I have been told - I don't know whether this is reliable - the payments are still being made, but Gatto has changed the corporate vehicle so payments are being made to him through another corporate vehicle. I have not seen those records, and I've only been told that, but what I'm telling you now about the payments made by M Group to Gatto is something which I have seen. The payments, when they become larger and more regular, include things - this is just an example - in a period of six weeks in about April 2020, $65,000 being paid by M Group to Gatto. In July 2022, there was a single payment of $77,000.

I looked at the records. It's difficult to extract the payments from the bank records. I tallied them up. M Group has paid Gatto over $1 million over the years of its operations. In fact, I think it's something like $1,044,000. That's what's been paid to Gatto by M Group, a company which is - as I put it; maybe this will be contested - a company conceived in an act of corruption. It gets worse. In fact, this is quite disturbing. You've heard me say it too many times. I'm being repetitive. But they ran up a debt of $13 million to the Australian Taxation Office. They were not paying tax, obviously, for many years, for it to be such a large sum.

The last entry that I was able to see was in June 2025. In the last six months of the records that I had, I just thought, I'll work out how much was paid to Gatto during that period. It was more than $200,000. Now, I don't know what inference I'm entitled to draw from the fact that while a company is not paying its tax, while a company is running up a tax debt of $13 million, it is paying Mick Gatto $200,000. Now, I just want to remind everybody, I'm not sure this date has been established.

The company was placed into administration in May 2025. The company continued to make payments to Gatto after the administration commenced.

And this, by the way, was at a time, when you see the initial administrator's report, it had failed to pay wages to its employees. It was paying Gatto in preference to its employees. It was paying Gatto in preference to its tax debt. At the time of the first report, there were shortfalls and the money paid to Cbus, the superannuation account for the employees - and there were a lot of them - of the M Group companies and to Ecolink, and they were paying Gatto instead. I haven't seen the new bank accounts. I wonder what they show? That's an answer to your question. I'm sorry I went on for so long.

COMMISSIONER: Was that all four points? I only had three.

MR WATSON: I may have been very quickly - because I was going to go back and go into the deed of company arrangement, and I realised everybody looked so bored I thought I should shut it down. So that might be the one that slipped through.

MR WHEELAHAN: I did say I had three questions. My last question is, is there anything else you want to say before I sit down and cross-examination by Mr Wilson KC?

MR WATSON: Yes. Should I say it? No. Look, I will say this: I was very disappointed in the reaction that Rotting from the Top received from the government. I thought that it was just astonishing. When I listened to the Jacqui Felgate interview, you know what he picked up to criticise the report? The words which were being used against me by the Premier of Victoria, the Police Minister and the Attorney-General. He used their words against me. I hope you never find yourself in that position. It was just awful. The Police Minister even had the temerity to say if I had a problem, why didn't I go to the police? Oh, by the way, Police Minister, did you? Because if you had, you would've found out, from your police force, that I was going to them every week. So, yeah, I'm a little bit sensitive about that, so I'll now go quiet.

MR WHEELAHAN: If the Commission pleases.

COMMISSIONER: Mr Wilson.

<CROSS-EXAMINATION BY MR WILSON

MR WILSON: Thank you, Commissioner. Mr Watson, can I just take you to some passages in your report in the bundle - there should be a hard-copy bundle there which we had prepared - and particularly I draw you to page 225 of the report, of your own report. Are we on the same page?

MR WATSON: I think so. I'm getting there.

MR WILSON: Yeah, that's all right. I just want to make sure you - because there's also been a tender bundle by the counsel assisting which has different page numbers, that's all, so I just want to make sure -

COMMISSIONER: What -

MR WATSON: I've got page 225, and it's got Mick Gatto.

MR WILSON: Correct. We're on the same page.

COMMISSIONER: Perhaps foreign the operator -

MR WILSON: This is the hard-copy bundle that was prepared, Mr Commissioner.

MR WHEELAHAN: GW-19.

COMMISSIONER: This is a different bundle.

MR WHEELAHAN: That's yours but it might be different pages.

MR WILSON: The operator has it. I want my bundle.

COMMISSIONER: No, I understand. I'm just wondering whether the operator has your bundle.

MR WATSON: He does.

MR WHEELAHAN: Commissioner, could I ask if the paragraph of the report be also referred to so that we can all follow it if we're using -

MR WILSON: Yes, will do. We just want to make sure we've got it all, that's all, first, before we start.

COMMISSIONER: That's page 225 of this bundle?

MR WILSON: 225.

COMMISSIONER: That's 223.

MR WILSON: I think that's it.

COMMISSIONER: That's the page I have.

MR WILSON: Yeah, that's it. Now, I just want to take you, a little bit like classical records, to some highlights from Offenbach in relation to Mr Gatto. You start off at paragraph 94 saying he's been a malignant influence on the CFMEU for decades. Do you mean by that that he works hand in glove with the CFMEU?

MR WATSON: Well, that's correct.

MR WILSON: Yes. Okay. I'm not criticising you for that. Gatto claims he's a mediator and arbitrator, but others including a Federal Court judge, say he's a standover man and a gangster. So you would agree that if you later come to say that he owns and controls M Group or individual companies within M Group, they're going to be automatically tarnished with the same brush as what you say in this report about Gatto. Isn't that correct?

MR WATSON: That's how I would read it.

MR WILSON: Yes, exactly.

MR WATSON: Most reasonable readers would say that.

MR WILSON: Yes. And he's boasted of strong relations, in paragraph 96, with the CFMEU, which he says go back over 80 years. He speaks fondly -

MR WATSON: 40 years.

MR WILSON: 40 years. So you would agree that companies starting up business and providing labour into CFMEU projects would almost certainly need to have some liaison and deal with Gatto at some level?

MR WATSON: No, they don't have to, but a lot of them do. Especially ones who are trying to acquire their advantages corruptly, in a crooked fashion, for example, they would use Gatto's connection -

MR WILSON: We'll come to that.

MR WATSON: - with the officials.

MR WILSON: And you say that he's damaged - in paragraph 101, he's damaged the building industry and he's involved in criminal conduct; correct?

MR WATSON: Yes.

MR WILSON: And you talk about, if we go to page 238 and paragraphs 170 and 171, you talk about his extortion model, demanding money from contractors under threat, the CFMEU would raise industrial issue and close a building site.

MR WATSON: Yes, I spoke to witnesses who told me of the threats directly.

MR WILSON: When you say contractors, do you mean -

MR WATSON: You should let me finish my answers. I spoke to people who -

MR WILSON: No, I'd like you to finish answering the question first.

COMMISSIONER: Just identify the paragraph, as Mr O'Grady requested -

MR WILSON: 171, the extortion model involved demanding money from contractors. What I'm asking you is can you just identify what sort of contractors you're talking about there?

MR WATSON: A wide range of people who were on building sites, whether you're talking about - it's not tier 1. He doesn't operate at the tier 1 level. He operates below that. But it includes all manner of businesses. You name it: cranes, plasterers, block workers.

MR WILSON: Would it include M1 Trades and Labour? Would about that be a contractor within the meaning of your -

MR WATSON: Oh, yeah. Believe it or not, labour hire and traffic management, they were probably the single most lucrative areas, and they were Gatto's most obvious and most common target.

MR WILSON: Yes. But, of course, if he owned the company and was a favoured person within the CFMEU, he wouldn't need to be paid anything, would he? His people would get on straightaway.

MR WATSON: I don't know what you mean by that.

MR WILSON: What I mean is, why would anybody - you can understand why a third-party contractor may well pay him money to influence their people getting onto a CFMEU site, but if it's his own company, in effect, he wouldn't have to pay anything. His people would get on for nothing, wouldn't they? The CFMEU wouldn't dare try and charge him money to get onto a site?

MR WATSON: I don't think you understand. Of course, he could have been taking the profits of M Group. Somebody was. Certainly not being paid in tax. He could've been taking the profits and in addition getting these payments. It looks to me as though, the way that I would see it, that those regular payments being made to Gatto, over a million dollars, I would call them a dividend. I think the Tax Office would agree with me.

MR WILSON: The position is, though, that there are two possible explanations, aren't there? One is that somehow he was manipulating his own companies to take out money through ostensible arbitration and mediation, or alternatively they were indeed an arm's-length contractor who was paying him for the purposes of getting security of their labour into CFMEU sites.

MR WATSON: They're two possibilities, but there's a myriad of other possibilities which lie between the two.

MR WILSON: But you always focus in on the one which is the most condemnatory of the M Group, that is, that Gatto was really - it was really Gatto paying himself.

MR WATSON: No, I focused on the facts. Read the report.

MR WILSON: We'll come to some facts in a moment. Now, you then say at paragraph 202 under the heading of Manipulating the Rise of Labour Hire, you say:

"The CFMEU should be militantly opposed to the overuse of labour hire. It destabilises the workforce."

So does that mean that the CFMEU would be opposed to independent labour hire companies such as M1 Trades and Labour putting their people onto sites?

MR WATSON: No, it says the opposite. It says they should have been. But the thing that shocked me when I came into this was the massive widespread use of labour hire. It was - every person working for a labour hire company is a casual employee. It's just unstable, it's destructive, and a good trade union would be mortally opposed to it. But the CFMEU wasn't.

MR WILSON: See, I'm not - M Group is not disputing that it paid Gatto a substantial amount of money, over a substantial number of years, to protect its income sources through M1 Trades and Labour particularly, but it did so to save tenders that they'd won being challenged by larger CFMEU groups. That is, they were being threatened by some of the people you refer to in your report that if they'd win a tender, start to put people on the site, and they'd be blocked out by bigger groups and CFMEU control. And then they had to get Gatto to come in and say, "Come on, these people can be in."

MR WATSON: I'm loving this. I couldn't agree more. They would corruptly pay Gatto to fix contracts for them? Come on.

MR WILSON: Well, it's a question of whether it is corruption or not in the sense that -

MR WATSON: How could it not be?

MR WILSON: - if he is actually arbitrating their ability to keep people on site, one, it says, they're independent - in a sense, the ownership and control is independent of Gatto but that they are using Gatto to protect their income source.

MR WATSON: And I think that's the chap that you just went through pointing out that a federal judge, for example, had called a standover man, an industry fixer. So they're paying him. Just work this out. I'm talking about this company. I think what is being put to me, that this company is not owned by Gatto, it just corruptly uses his services - is that what's being put to me?

MR WILSON: I'm - we're - no. We're putting to you that they win their contracts, but that - I'll come to the particular companies that you refer to in a moment - that they win the contracts. They're then blocked at the site by bigger CFMEU things, and they use Gatto to negotiate their ability to stay on site. Now, whether you want to call it corruption, the simple answer is they see it as a commercial payment.

MR WATSON: So you're giving evidence on their behalf? Is this in their affidavit? Because this is not a question.

MR WILSON: Please, you're there to answer my questions; I'm not here to answer yours.

MR WATSON: Ask your question, then. I'll give it a shot.

MR WILSON: I just said - I just said -

COMMISSIONER: You're both fighting your corner. One at a time.

MR WILSON: Let me take to you paragraph 386. It says:

"No doubt there were many EBAs which were allocated and negotiated on merit."

Now -

COMMISSIONER: What paragraph are we, Mr Wilson?

MR WILSON: 386, Mr Commissioner. Now, I suggest to you that many - or the EBAs obtained by the M Group were in fact obtained on merit.

MR WATSON: I saw no evidence of that. You want facts? I saw no evidence.

MR WILSON: Did you see any evidence they weren't obtained on merit? They simply had EBAs.

MR WATSON: Well, you just (crosstalk) where they said they couldn't deal directly with the CFMEU and get an EBA, so they went to Gatto and they gave him a share of the business.

MR WILSON: No, no, let me -

MR WATSON: So yes, I did see evidence.

MR WILSON: You see, I suggest to you you're twisting what was in that affidavit. I'm suggesting to you that the affidavit didn't say they couldn't get an EBA. It said they would find it difficult to have their workers engaged on a CFMEU site without the intermediary of Gatto. Now, they're two separate things, aren't they?

MR WATSON: No.

MR WILSON: You can have an EBA, try to put your workers on the site, and then find CFMEU resistance to them.

MR WATSON: No, you're wrong.

MR WILSON: Unless of course Gatto comes in and helps smooth the waters for them. You see what I mean?

MR WATSON: No.

MR WILSON: See, I think you've got a conspiracy attitude to everything. I suggest to you -

MR WATSON: I'm sorry, you (crosstalk) but I think you're probably being a bit rude there.

MR WILSON: No, no, no. Well, let me come back to you. You took this passage in this affidavit, which said they would find it difficult to have their workers engaged on a CFMEU site without the intermediary, and you translated that into something they couldn't get EBAs without Mr Gatto.

MR WATSON: Well, have a look at also what the -

MR WILSON: Just a moment. No, just answer my question. Are you translating that passage as saying they couldn't get EBAs without Mr Gatto?

MR WATSON: No, I'm using that passage in conjunction with the fact that they said a similar sort of thing to Nick McKenzie. The lawyer sent me a letter, and I read it out to you, with a statement to that -

MR WILSON: Yeah, but -

MR WATSON: Let me finish. And I also combine it with the fact that if you look at Rotting from the Top, you'll see the list of EBAs and how they got them.

MR WILSON: Well, they've only had about two EBAs, and they keep getting them replenished, don't they? They renew them. Have you heard of that? Have you heard of renewing EBAs, as opposed to keep getting new ones?

MR WATSON: Sorry -

MR WILSON: I'll come to it. It's in your report, and I'll come to it. I'm being taken out of order, so I'll take it. But what I would suggest - let me ask you this: why would Gatto - why would M Group pay Gatto money to secure the safety of their awarded EBAs if it was really his company and he was hand in glove with the CFMEU?

MR WATSON: I don't think that they're paying him for genuine work. I would think it's something in the nature of what I would describe, as I say, as a dividend. The $1 million is for your ownership of the company. This is the pay-out to you. We're getting so much; you get this much.

MR WILSON: That's just your conspiracy theory as to how you would characterise the payment. You agree with me, do you not, that it is an equally plausible explanation is that they, independently directors of M Group, are paying Gatto to secure the safety of their awarded EBAs or the men working under those EBAs, and it wouldn't happen if it was really his company, because he was hand in glove with the CFMEU, wouldn't need to be paid anything.

MR WATSON: No.

MR WILSON: Well, I suggest to you that's an equally plausible explanation.

MR WATSON: No.

MR WILSON: Of course it is. Don't just say no. You said before it was a plausible explanation.

MR WATSON: Sorry -

MR WILSON: You said earlier that you agreed that there were two plausible -

MR WATSON: You premised the first question on the basis: "It's your conspiracy theory." I am not going to say "yes". "Oh, yeah, I've got (indistinct) conspiracy theory."

MR WILSON: Well, I don't anticipate you'll admit you're wrong, but nevertheless, let's proceed.

MR WATSON: What are you doing now? Just trying to be rude? But anyway, go on.

MR WILSON: I'm going to be ruder later, don't worry.

MR WATSON: All right. Looking forward to it.

MR WILSON: Now, the next question is this: at paragraph 462 of your report, you're talking about the records that have been sighted relating to two of the larger labour-hire organisations. Those suggest that MC Labour Services total - they got 270 million in 23/24 year; correct?

MR WATSON: Whatever it says in the report. I don't know the figures off the top of my hid.

MR WILSON: These are the figures in your report.

MR WATSON: That's what I mean. If it's in the report, it's in the report. What are you trying to say?

MR WILSON: I'm just taking them to you to predicate a question.

MR WATSON: All right. So what's the point?

MR WILSON: Just a moment. Will you allow me to get it to without interrupting me, please?

MR WATSON: No.

MR WILSON: There you are. There you're being rude, aren't you?

MR WATSON: Yes, I'm just matching.

COMMISSIONER: Do we need all this theatre, really?

MR WILSON: The position is this, that you say -

COMMISSIONER: Mr Wilson, do we need all this theatre? And Mr Watson. Do we really need it?

MR WILSON: I'll try and contain my exuberance, Commissioner. MC Labour Services have revenue of 270 million; correct?

MR WATSON: That's what I wrote.

MR WILSON: Yes, that's what you wrote. I'm not suggesting you're wrong. And then also BK Labour Hire had a turnover of 155 million; right? Do you understand that?

MR WATSON: Well, that's what it says.

MR WILSON: And then you follow up with Top Up Labour, that has over 70 million.

MR WATSON: That's certainly what I wrote.

MR WILSON: Well, in the same period, M1 Trades and Labour had 32 million. So they're only a small fry in this labour market, aren't they?

MR WATSON: I don't know. In the affidavit, it's said it's the leading supplier, and then it's said that in traffic management, it's got 25 to 30 per cent, whatever those figures were.

MR WILSON: I think you later on refer to the figure -

MR WATSON: You're telling me the 32 million. I don't know. I'll take your word for it.

MR WILSON: Well, I think you refer to it later in the report. We'll see if we can find it later in the report. But if that's correct, 32 million compared to 270 and 155 and even 70 makes M1 Labour Trades a very small player in the labour market, doesn't it?

MR WATSON: I wouldn't say very small.

MR WILSON: Well, I suggest to you that in the context of the Big Build projects, it's less than one per cent of the labour.

MR WATSON: (Crosstalk).

MR WILSON: And these other companies are the ones that really generate the bulk of it.

MR WATSON: Well, I actually don't know how that is spread. Those sorts of records were beyond my powers when I was conducting this investigation. I couldn't go to private companies and demand that they show me their turnover. I got things privately from sources. I got things from some public records. I did the best I could in terms of trying to put these numbers together.

MR WILSON: Yes, and I'm suggesting to you that - I'm not criticising your compilation of the numbers. What I'm suggesting is that if you then take into account M1 Trades and Labour figure of 32 million, the position is that if that is correct, it would make it a very small player compared with the others.

MR WATSON: I wouldn't say very small.

MR WILSON: Well, I suggest to you it would make up less than one per cent of the total labour -

MR WATSON: Well, you've done that. You've already suggested that. How would I know?

MR WILSON: And the answer is if that is so, on any view of it, Mr Gatto, through his alleged company, is not getting too much of the business, is he?

COMMISSIONER: The witness said he doesn't know, so I'm not sure how much further you can take it.

MR WILSON: And then in paragraph 466 you say it's well known that the previously employed officials were identified with assisting certain labour-hire companies: Setka and Perkovic assisted Top Up Labour, Myles assisted BK Labour, and Steve Long promoted MC Labour and Argus Labour Hire. And I'm suggesting to you that they're the very sort of people that tried to push the M1 workers offsite when they'd won a tender for a particular job, and that's when Gatto got involved and was paid to arbitrate those positions. Do you have any knowledge of that?

MR WATSON: None. Absolutely stunned that -

MR WILSON: So you have no knowledge of other entities and people -

MR WATSON: You should have let me finish. I'm absolutely stunned that M Group thinks it's wise to reveal these things in a public forum. But go on.

MR WILSON: We're not interested in that. I'm interested in do you accept that or do you have any knowledge of the fact that M Group on a number of occasions found that the bigger companies and the bigger people associated with those companies in the CFMEU were trying to force their men offsite or close those sites to their men who'd won - where they'd won a tender for a particular job?

MR WATSON: No. I don't know anything about that, and the information that I was receiving was largely to the contrary. I heard that the M Group companies were on specific sites at specific places and that they were being given favourable treatment. I was told that by other players in the labour-hire industry, and as I've said to you, one even rang me on the days following the administration to say, "They'd gone into administration; they're still here under a different name."

MR WILSON: Yes. And then at paragraph 475 under the heading of Ghost Shifts, you refer that it was exposed that a multimillion-dollar fraud had been perpetrated by a labour-hire company facilitating workers claiming for ghost shifts.

MR WATSON: That's in the newspapers.

MR WILSON: That's MC Labour, isn't it?

MR WATSON: I think there were others apart from MC Labour.

MR WILSON: It was MC Labour, and I'm suggesting to you that there is no evidence and no suggestion ever anywhere that M1 Trades and Labour were involved in any ghost shifting.

MR WATSON: I don't know that. There could well have been.

MR WILSON: Yes, and if your aunty had something else, she might've been your uncle. But the reality is - the reality is that you have no - you see, you're so willing to immediately speculate.

COMMISSIONER: Mr Wilson, we don't need all the abuse. Just ask the questions.

MR WILSON: All right. Thank you.

MR WATSON: I should answer that question.

MR WILSON: You don't know, do you?

MR WATSON: No, I do know. I do know.

MR WILSON: Oh, you suddenly know. Yes, go on.

MR WHEELAHAN: Obviously we have senior counsel. They know they have to let Mr Watson answer the question, and Mr Wilson KC can ask his question without interruption.

MR WATSON: I do know that there was a lot of ghost shifting going on. I heard from a lot of people stories about it. Not only that, it had been exposed in the newspaper, and while Daniel Andrews was the Premier of Victoria, he'd come out, and I think I've got that in the report, and saying, "This won't be tolerated any more." But it kept happening. Now, if you're asking me, did I have any evidence that the M Group companies were doing it? No. And that's why I didn't put them in the report. But that doesn't mean they weren't doing it; I just don't know.

MR WILSON: The answer - the answer is that - and I want you to - you understood, did you not, when you wrote the report that there was - that MC Labour and various companies associated with that group were different from the M Group companies that we're talking about today. You understood they were different companies run by different people?

MR WATSON: Yes. I mean, anybody would know that.

MR WILSON: Well, I suggest to you that unless they had your background and had the ability to do your searches, that anybody reading your report could well come to the conclusion and conflate M Group with MC Labour. They've both got M in their name. They've both got trades and - labour in their name, and I suggest to you -

MR WATSON: Oh dear.

MR WILSON: I suggest to you that a competent person doing this report would have made clear and drawn the distinction that the two groups are entirely different.

MR WATSON: Why?

MR WILSON: Because people can be confused.

COMMISSIONER: One at a time.

MR WATSON: I didn't also put in there I need to draw to your attention that M Group is not Multiplex, that M Group is not in any sense a crossover related to the MCG. I mean, come on. What are you saying? That I should write a report tailored in case somebody doesn't read it properly? Don't you dare frame the question by saying "a competent person in your position". I've been doing this for a long time.

MR WILSON: Yes.

MR WATSON: And if you want to challenge my competence, go straight for it.

MR WILSON: I'm about to.

MR WATSON: Go on.

MR WILSON: What I'm suggesting to you is -

COMMISSIONER: We're going to have the break soon.

MR WILSON: - that you don't refer to the MCG or anyone else with M in it. You do refer extensively to two groups in this report: MC Labour and M Group. And I'm suggesting to you that even though you would've been well aware that they were entirely different groups, that - and indeed, one was run by - M Group - MC Labour had people in it who'd had criminal convictions and matters of that nature, the fact of the matter is that a competent reporter would have made it clear that the two groups were indeed quite separate -

COMMISSIONER: You've asked -

MR WILSON: - for the person picking up the report and reading it without any of the background knowledge.

COMMISSIONER: You've asked that question, Mr Wilson, and it's been answered.

MR WILSON: All right. And, indeed, neither Messrs Portia or Paragalli have ever been charged or convicted of any criminal offences, have they?

MR WATSON: Well, I don't know that. There was a fine of over $1 million for -

MR WILSON: Do you know whether they -

COMMISSIONER: Can you let the witness answer the question, please.

MR WATSON: I don't know that. There was a fine. It's over $1 million. I think it's $1.65 million.

MR WILSON: I'll come to that.

MR WATSON: Now, I - sorry, I'm dealing with it now. Let me answer. You just put a proposition to me. I don't know -

MR WILSON: Well, then say "I don't know".

MR WATSON: Would you let me finish my answer? I do not know whether the fine for $1.65 million did involve a criminal or quasi-criminal charge. I quite frankly suspect - it's such a large number - that it did.

MR WILSON: Are you possibly mistaking a penalty that was being paid by a director with a fine being levied on the director?

MR WATSON: I don't know.

MR WILSON: There you are. Thank you.

MR WATSON: I just told you what I based this on.

MR WILSON: Thank you.

MR WATSON: You're saying that they've got clean criminal records. I think a $1.65-million fine sounds pretty crook.

COMMISSIONER: Mr Wilson, we've got a break scheduled for 10.30. Both you and Mr Watson are very experienced silks. You know what the rules of engagement are, and after the break, I think we should try to apply those rules of engagement in an orthodox manner. I understand you've got a difficult job to do, as has Mr Watson. You've got - serious accusations are being made against your client. You're entitled to vigorously defend your client's position, and I'm not going to prevent you doing that. But we should do it in an orthodox manner. We'll break until quarter to 11.

<THE HEARING ADJOURNED AT 10.30 AM

<THE HEARING RESUMED AT 10.45 AM

COMMISSIONER: Just before you resume, Mr Wilson - Mr Wheelahan, I think you told me what the division of time was today between yourself, Mr Wilson and

Ms O'Gorman. Do you just want to keep an eye on that? Because I can't remember when Ms O'Gorman's time starts and when Mr Wilson's time finishes.

MR WHEELAHAN: I will keep an eye on it.

MR WILSON: I calculate I had one hour, and I was allotted one and three quarter hours originally, and I suspect I'll finish within one more hour.

COMMISSIONER: Very well. Thank you.

MR WILSON: Now, Mr Watson, could I direct your attention, please, to paragraph 848 of your report on page - if I can find it here - it's page 338 of the bundle I gave you. Have you got that?

MR WATSON: I'm waiting for it to come up. I'm using the one on the screen.

MR WILSON: I see. Okay. I'll read it out.

MR WATSON: No, it's all right. It's up there now.

MR WILSON:

"Mick Gatto owns a number of companies within the M Group."

MR WATSON: Yes.

MR WILSON: All right. Now, in the context of that, which companies does he own and which companies does he not own?

MR WATSON: Well, in my view - I said I would have preferred it if I'd said "owns, partially owns, but certainly controls" the companies, for starters, and then in respect of that, all the companies with M in the title. I went through them earlier.

MR WILSON: Yes.

MR WATSON: Many of them appear not to have traded. Some of them have been liquidated. But because he was there at the inception, just like you might say that some of them are in the name of Paragalli, some of them are in the name of Portia, but they seem to be part of a complex partnership.

MR WILSON: All right. So your statement now in 848 that Mick Gatto owns a number of companies within the M Group, you'd like to translate into Mick Gatto controls the companies in the M Group?

MR WATSON: Yeah, that would be a good way of putting it, I think.

MR WILSON: That's the way you want to put it. Okay. Now, if we then look at that -

COMMISSIONER: I think the witness said "owns, partially owns or controls".

MR WATSON: Yes. That's an even better way, but I don't mind it just being limited to "controls".

MR WILSON: Do you agree that as at the date of your report, he legally held no shareholding, directorship or other officership, secretary or otherwise, in any of the M Group companies?

MR WATSON: No.

MR WILSON: I see. Which ones do you say as at the date of your report he did hold?

MR WATSON: All.

MR WILSON: But what -

MR WATSON: You just said legally.

MR WILSON: I said legally.

MR WATSON: Yes, that is -

MR WILSON: All right. Recorded. I'll rephrase it.

COMMISSIONER: We can't go on with this talking over each other. The questioner asks the question. The witness responds to the question. If the question's relevant, it's allowed. If the answer's responsive, it's allowed. So let's just play by the orthodox rules.

MR WILSON: As at the date of your report, was Mr Gatto recorded as being a shareholder through either any of his companies or a director or secretary of any of the M Group companies?

MR WATSON: I don't know. Because there could have been private documents between Paragalli, Portia and Gatto that I've not seen.

MR WILSON: Could have been, but the answer is you don't know, and therefore if I say to you that the situation is that he was not recorded anywhere as a director, shareholder or secretary of any of the companies, you can't disagree with that?

MR WATSON: Yes, I can.

MR WILSON: No, you can't if you don't know.

MR WATSON: No, I told you I don't know, but I can disagree with it. It's pretty plain to me that they'd have some sort of record of it somewhere. They would do it somehow, and I don't know whether you were including as part of records the fact that there were those continuous payments from one of the M Group companies to one of Gatto's companies, and that looks to me as though that's a record which might relate to ownership and certainly clearly establishes control.

MR WILSON: It might also relate to mediation services, whether you want to characterise those as corrupt or not, it might well have just related to him being involved as a third-party mediator, using his influence with the CFMEU to help the M Group companies keep their contracts on CFMEU sites?

MR WATSON: Well, I'm not sure. Is that a question?

MR WILSON: Yes.

MR WATSON: It might be that. Are you saying -

MR WILSON: It might be that, yes.

MR WATSON: Well, yes, but it's extremely unlikely to be so.

MR WILSON: Oh, is it?

MR WATSON: Of course it is.

MR WILSON: All right. Have a look - all right.

MR WATSON: Just think about getting somebody in as a mediator or an arbitrator and paying them over a million dollars. And you just described them as being a very small player. I didn't agree with it being very small, but they were big enough to pay a mediator $1 million?

MR WILSON: Yes, over a period of, what, about 20 years?

MR WATSON: Yes, but if you have a look at it, it really cranks up in the last 10.

MR WILSON: To paying him a million dollars over 20 years to protect an income stream of about 30 million gross.

MR WHEELAHAN: Objection. The evidence wasn't 20 years.

MR WILSON: I thought the witness had just agreed it was about 20 years.

MR WATSON: Yes, but I was wrong. It was from 2016 to 2025. It was nine years. And during the early years, there were - the payments were fewer and smaller, and so it's really cranked up in the last five.

MR WILSON: And if you're paying - whilst you may see that as an absurd amount of money, the fact of the matter is if that's what you had to pay to protect a $30-million-a-year income stream, it actually bears some proportion to that, does it not?

MR WATSON: No, because the $30-million-a-year income stream is actually the gross takings of the company. From that, you have to take out all the expenses, and if you get down to the net profit levels, there's an expression of that in the administrator's report, and I think they were pitched at three per cent. It was a range that the administrator put on it. So if we start talking about three per cent of the $30 million a year, you're then talking about the profitability of the company. Now, that's what the administrator reported on, not me; I've just read it overnight.

MR WILSON: Let me put on the record for that year that you compared the other companies to, that is, the financial year ending 2024, M1 Trades and Labour earnt 32,126,652 with a gross margin of 8.2 per cent.

MR WATSON: Well, sorry, in that gross margin, are you including the fact that they did not pay tax? Because I can tell you I'd be a pretty wealthy guy if I didn't pay my tax. So in the gross margin, given they're not paying their tax, what's the real margin?

MR WILSON: I'm suggesting to you that you should assume that one way or another, legally, they are meeting their obligations, and that's the earnings stream that they are maintaining with their - to protect their contracts by paying Mr Gatto is about - just a bit over $32 million a year. And I'm suggesting to you that, yes, even though a million dollars over that period may seem a lot, it actually could be argued to be commercially worthwhile if that's the only way you can protect your contracts if you're being kicked off or blocked from sites by heavier and bigger unionists.

MR WATSON: I mean, I don't know whether there's any evidence of this but what I'm looking at is the administrator's report, which I hope will go into evidence, which is actually predicting a net profit margin of 3.5 per cent. But of course the administrator was imagining that these gentlemen would pay their tax, so it's three to five per cent. Now, apply that to the 30 million and see what you get. You're down to one and a half million dollars a year, and one very large part of that is going to - or one person who's got a close association with the companies.

MR WILSON: Except that you don't know, do you, and you can't tell the Commissioner, how it was between the various companies in the M Group that the earnings and tax deductions were structured?

MR WATSON: I'm talking about the company -

MR WILSON: No, answer the question.

MR WATSON: - which is M Group Trades and Labour Pty Ltd.

MR WILSON: Yes. Now, M Group Trades and Labour would've taken employees whose contracts were held by M Group Trades and Labour, and it also would've used equipment provided by one of the other companies which you actually referred to as one of those 20 or 30 companies one of the directors was involved in, and they therefore would've paid leasing payments and hire payments and so forth, which would've all been deductible in the hands of the company earning the money in the first place, would it not?

MR WATSON: I guess so.

MR WILSON: Yeah. Now, the next question I wanted to put to you was this. Gatto's company took a 25 per cent interest in the original company, right? Now, you say in paragraph 852:

"When the original M Group entities were set up, they were established and owned by Gatto's company, Arbitration and Mediation Services."

Well, that's not true, is it? That's just not true on the face of the company records.

MR WATSON: You've got to remember that what I'm dealing with are the facts, and drawing inferences from a wide range of circumstances.

MR WILSON: I'm -

MR WATSON: It is true. If the word "ownership" is too loose for you, "control" will be enough.

MR WILSON: Well, we can only go with what's in your report and what the public read when they read your report. And I'm suggesting to you -

COMMISSIONER: The witness -

MR WILSON: - that Gatto's company was given 25 per cent of the shares -

COMMISSIONER: Mr Wilson.

MR WILSON: - for the reason set out in Mr Portia's affidavit -

COMMISSIONER: Mr Wilson.

MR WILSON: - that they'd been advised that if they wanted to get jobs on CFMEU sites -

MR WHEELAHAN: (Indistinct) Mr Wilson KC -

MR WILSON: I'm sorry, I appreciate that.

COMMISSIONER: Mr Wilson, I thought the witness had clarified what he said in his report. He said that "you should understand what I've said in 848", that Mick Gatto owns a number of companies within the M Group as either Mr Gatto controls or he owns partially owns, partially owns or controls.

MR WILSON: Yes. But then as he just said, Mr Commissioner, we then move from the face of the legal documents recording ownership to speculation and inferences based on all sorts of material that he wants to draw into his web of conspiracy.

COMMISSIONER: You can make submissions about all that.

MR WILSON: The position I'm suggesting is this: if Gatto was prepared in the first place to take a shareholding in a company that you say he effectively owned or controlled, then why would he not take something over 50 per cent at the very least?

MR WATSON: Ask him.

MR WILSON: No, the answer is because the explanation given in the affidavit by Mr Portia, I suggest to you -

MR WATSON: Will he be cross-examined on that? The engine room of truth.

MR WILSON: Yes, and -

MR WATSON: I bet you he's not coming to give evidence about it.

MR WILSON: Well, I suggest you're the engine room of speculation and inference.

COMMISSIONER: Mr Wilson, you asked a question, which this witness was -

MR WILSON: The answer is, I'm suggesting to you, that the explanation for the 25 shares is entirely consistent with what's in Mr Portia's affidavit that they thought they needed to have Mr Gatto somewhere on visible - visibly in their company so that they could - they would have influence to retain and obtain jobs on the Big Build through the CFMEU. That makes as much sense, doesn't it, as anything?

MR WATSON: Well, it's one possible explanation.

MR WILSON: Thank you.

MR WATSON: But on the other hand -

MR WILSON: Thank you.

MR WATSON: - it's not one that I accept, and I based it on, as I've explained perhaps in too much detail earlier this morning, on a large range and a number of factors, including the way that I know how Gatto operates.

MR WILSON: I refer - to save time, Mr Commissioner, I'm referring in my tabs to pages 1 to 37, which set out the various shareholdings and share transfers in those three main M Group companies: Trades and Labour Pty Ltd, followed by the other companies, M1 Trades and Labour and M1 Traffic Control.

COMMISSIONER: Do you want to tender the documents?

MR WILSON: Well, I can't tender them from my volume, because they haven't been redacted, and having conferred with my learned friend counsel assisting, what we're going to ask you to do is simply this: we're going to get Law In Order to double-check this and redact my volume after I've finished, and then I'd ask in my absence if they can then be tendered in that form afterwards.

MR WHEELAHAN: If I could assist, we have already done that.

MR WILSON: Have we?

MR WHEELAHAN: We have already redacted all of it -

MR WILSON: I didn't realise it had been finished.

MR WHEELAHAN: - and we've provided it to Law In Order. So whatever exhibits or pages are identified by Mr Watson, they can be tendered, and we can in due course -

COMMISSIONER: Well, it seems that your 348-page bundle of documents has been redacted; at least, my version has that's in front of me. Mr Wheelahan says that the copies that Law In Order have have been redacted. On that basis, do you want to tender this bundle?

MR WILSON: Yes, well, I tender the bundle, and I'll come to each one in due course, I think, but only - hopefully just in passing, because I'm sure Mr Watson has read the bundle or knows the documents in it.

COMMISSIONER: So what exhibit are we up to, Mr Wheelahan?

MR WHEELAHAN: GW-21. And you'll see on the screen, Commissioner, right now that the operator is working off the redacted version in accordance with the NPO number 1.

COMMISSIONER: Yes. 348-page bundle of documents proposed to be put to the witness, Mr Watson, in cross-examination will be exhibit GW-21.

<EXHIBIT GW-21 348-PAGE BUNDLE OF DOCUMENTS PROPOSED TO BE PUT TO WITNESS MR WATSON IN CROSS-EXAMINATION

MR WILSON: Yes. Now - I'm sorry, are you ready, sir?

COMMISSIONER: Yes.

MR WILSON: Thank you. Now, but Mr Gatto's company only held the shares for about a month; isn't that so? The company was incorporated on 22 November 2016, and he transferred his shares to his daughter's company on 21 December 2016.

MR WATSON: I think we've been at cross-purposes all along. Are you basing this on the fact that Gatto fills out forms accurately for ASIC, for the companies register? Because if you are, I think you're making a terrible mistake. I'm basing it upon facts. Things which demonstrate his ownership or control.

MR WILSON: Yes, all right.

MR WATSON: If you just follow the things that you turn up on a search, you will be gravely misled.

COMMISSIONER: Why don't you just answer Mr Wilson's question? It just required a "yes" or "no" answer.

MR WILSON: On the face of it, he transferred his company's shares, or the company's shares were transferred to his daughter's company, a month after the incorporation of M Group Trades and Labour.

MR WATSON: On the ASIC records?

MR WILSON: Yes.

MR WATSON: Yes.

MR WILSON: Yes.

MR WATSON: If you read those only, that's what you would come up with.

MR WILSON: Yes, okay. And you no doubt would try and infer that that's just six of one, half a dozen of the other, that is, it's just Gatto just doing it through another corporation.

MR WATSON: Well, plainly.

MR WILSON: Well, is it?

MR WATSON: I gave you the Jacqui Felgate quotes.

MR WILSON: Is it? Just a moment. That was in relation to Jarrah, not this.

MR WATSON: No, it wasn't. It was in relation to Taggo and then it was in relation to M Group.

MR WILSON: Let me just come back to this. What would be -

COMMISSIONER: I think the answer to your question is yes, he does infer.

MR WILSON: Yes. What would be the point, if it's going to be him, and everyone you say would know that Taggo is his daughter's company, what would be the point of him transferring it to his daughter's company if it's just going to be him anyway? Why not just keep it as Arbitration and Mediation Services?

MR WATSON: Well, two answers to that is, one, why not ask him? The second one is this: people did not know that Taggo was a Gatto company.

MR WILSON: I see.

MR WATSON: It doesn't have the name Gatto on it. It said "Sarah Jane Awad".

MR WILSON: So what was happening at that time which would have made him change his mind about having his company displayed as a shareholder and Taggo Pty Ltd being shown as a shareholder within a month of the company starting?

MR WATSON: Well, it's plainly to try and disguise his involvement.

MR WILSON: But if he was trying to disguise his involvement, why would he have taken shares in the first place on the public register?

MR WATSON: Well, (a), ask him, and (b), people do a lot of silly and stupid things, you know.

MR WILSON: Yeah. And I'm suggesting to you that the first level of answer to that is because Portia and Paragalli had been advised that, "If you want to keep your people or get them securely onto CFMEU sites, you should be seen to be having a relationship with Gatto." So they put him in as a 25 per cent shareholder.

MR WATSON: Is that their evidence, is it?

MR WILSON: That's what they would say, yes.

MR WATSON: Right. Well, that's a pretty damning -

MR WILSON: You can say it's damning. I just worry about -

MR WATSON: I am saying it's damning, and let me finish. That's a pretty damning point, because they are saying, "We need this underworld standover-man fixer to get a building business up and going."

MR WILSON: And then I'm suggesting to you - have you ever heard of the fact that Sarah Jane, whatever her name is, Awad actually held herself out as a person involved in body corporate management? Have you ever heard of that?

MR WATSON: Yes, I know that, because when her husband was sentenced for cocaine dealing, one of the things that the judge took into account was her role in property management. I was quite interested in seeing that.

MR WILSON: Yes. And let me suggest to you that the reason that the shares were transferred to Taggo was because Paragalli and Portia thought, being the very lateral businessmen that they are, they thought that they may branch out into property - body corporate management, and that she would run that.

MR WATSON: I've got to say, that is ridiculous.

MR WILSON: Why is it ridiculous?

MR WATSON: M Group Trades and Labour, property management? Come on. If you believe that, you believe anything. This is a very, very tricky world in which we're moving, where people do corrupt things for corrupt reasons, always, usually, driven by money, and they do a lot of things. You actually need to think more carefully before you buy in to a ridiculous story like that.

MR WILSON: I don't have to buy into anything, and you know that as counsel. I take instructions, and I put my instructions to you.

MR WATSON: Sorry, I wasn't suggesting you. I meant anybody. Anybody listening out there who would believe that story, well, I've got a bridge to sell you.

MR WILSON: Well, the answer - but the answer is there is an explanation given on oath that they thought that they may get into body corporate management, but it never happened, and her shares just sat there for a number of - a period of time. And they would say on oath that they'd forgotten about the fact that she was even there, they didn't think about it, and eventually she got out.

COMMISSIONER: I think the point is that Mr Watson has said he doesn't accept or believe that. It doesn't change his opinion.

MR WILSON: Let me ask you this: if Mr Gatto was looking for excuses or reasons to financially plunder the companies that he owned, when he transferred his shares, why would he have done it just at face value rather than taking an alleged commercial value for the shares to take out more money?

MR WATSON: To avoid the tax. It's plain.

MR WILSON: But if you don't get the money - to pay tax, you have to get the money.

MR WATSON: Sorry, by selling them for face value, it meant he didn't have to confront capital gains tax or other investigations which may indicate that there was some sort of income derived from it. That's exactly why you do that. I've seen this by now dozens of times.

MR WILSON: But on the other hand, he's paying - on the other hand, Arbitration and Mediation Services, on the face of it, and with, you say, documentary proof, has received a million dollars in payments from the M Group. In those circumstances, that'd be subject to tax, wouldn't it?

MR WATSON: Yes, except -

MR WILSON: So he's not afraid to take money when it suits him to pay tax.

MR WATSON: Sorry, haven't you been following his career? He boasts about the fact that he doesn't pay tax. He went on some show with some sort of person from television the other night.

MR WILSON: I don't know what he went on. I'm talking about this case.

MR WATSON: And he was talking about how he's on a payment plan to the Tax Department, which I thought was odd, because I saw him on another show driving a convertible Rolls-Royce, and he's on a payment plan to pay off his tax? He's dodged tax for decades.

MR WILSON: Okay. Well, the answer is that if he was prepared to take money through Arbitration and Mediation Services, whether he paid tax on it or not - on the face of it, you would think he would have to - then if there was an opportunity to take a large sum of money on the transfer of his shares, if that was an excuse for taking a dividend or a capital transfer, there would be no reason why he would treat that differently, would it? If he could avoid the tax, he might well do so. But on the face of it, it was an excuse for him to take out a lot of money if in fact he was really directing the control of the company as opposed to just being there for the reasons that Portia says in the first place.

MR WATSON: I don't understand that to be what I would describe as a question. But if it is a question, I'll say this: believe what you want. But I've set out the facts upon which I relied.

MR WILSON: All right. Now, the next matter is this. You then say since she sold her shares, the directors of the M Group have been Paragalli and Portia, and you say who are very clearly frontmen. Well, I put to you that they're not. They're simply correct directors. They may have done business with Gatto, but they're not frontmen for Gatto. Do you understand the distinction?

MR WATSON: Well, you're putting that to me?

MR WILSON: Yes.

MR WATSON: I'm not agreeing with it.

MR WILSON: All right. Okay. And that you then say:

"An ASIC search of the M Group companies shows that none of the shareholders have beneficial ownership of their shares. They hold them on behalf of another unidentified person."

Come on. If you looked at the paperwork, that, I suggest to you - and I am being critical now - I suggest to you that that is a blatantly misleading statement concocted to create drama and suspicion when it's just patently untrue.

MR WATSON: I reject what you're saying.

MR WILSON: All right. Let me put to you the facts. The facts are that the shares are held in the group by the two companies Portia Nominees and also by I think it's JTB something else, which are companies respectively of the Portia family and the Paragalli family. They're the trustee companies.

MR WATSON: What did I say that was wrong again?

MR WILSON: You said - you said that they hold them on behalf of another unidentified person.

MR WATSON: Yes.

MR WILSON: No, they hold them on behalf of their family trusts.

MR WATSON: Where was that identified on the records that you've produced? You've produced it because you went and searched for the company names from which you'd received instructions from your client. I couldn't get access to that. The second point which I'd like to make is I don't accept it anyway. These are very, very carefully structured things disguising who owns which interest.

MR WILSON: Let me suggest to you they are nothing more than simple, normal, family trustee companies holding the shares or the benefit of the shares on behalf of family trusts.

MR WATSON: I don't accept that.

MR WILSON: All right. Well, let me just put these documents in, and I think we've got TB100. My book at 100. There's the Portia Nominees company. At 104 there's the JTPBC company, which is the Paragalli company. Then you've got a TB110, the Portia trust deed, and at TB140, the JTBPC trust deed under the name of the Amanda Paragalli Family Trust. Now, have you looked at those documents?

MR WATSON: The ones that you sent to me?

MR WILSON: Well, the ones that were in this book. I assume they were sent to you?

MR WATSON: Yes, a whole bunch of documents were sent to me. Yes, I did look through those.

MR WILSON: Yes, and they were standard family trust deeds, were they not?

MR WATSON: I'm not an expert in that area, but I assume that they were reflective of kind of ordinary practices in that respect.

MR WILSON: And not only that, let me suggest to you that if they had been a device of Mr Gatto's to hide his beneficial ownership of the M Group, that the position would be you would expect the trust deeds from each of the two family strains to be in identical terms, because he'd have set it up, wouldn't you?

MR WATSON: No.

MR WILSON: All right. Good. And I'm suggesting to you that if you look at the trust deeds, you will see that they're entirely - they're different forms of family trust deeds. In other words, one's been independently done by the Portia family and one's been independently done by the Paragalli family through solicitors.

MR WATSON: Have you got a question?

MR WILSON: Yes. I'm suggesting to you does that not infer that these are legitimate family trust deeds?

MR WATSON: No.

MR WILSON: That are hiding nothing.

MR WATSON: No.

MR WILSON: And if you look at them and read them carefully, I suggest to you, particularly in relation to the Portia trust deed, there's absolutely no way that any of the beneficiaries or descriptions of beneficiaries in there would allow Mr Gatto or his companies do get involved.

MR WATSON: That's if it's a genuine document. I don't know, they may have these structures set up behind Wallenius Wilhelmsen.

MR WILSON: Yeah, I know, and I said to you before that you just infer and assume anything that supports your conclusion that M Group was owned and controlled or controlled by Gatto. You know, as I said to you once before today, you know, you can infer or assume, but we're dealing with facts. The facts are, this is the structure, the legal structure, of the shareholdings in the M Group companies.

COMMISSIONER: But he's given - the witness has given the reasons for his inference. He might be right; he might be wrong. He's given the reasons in his report. He's given nine additional reasons this morning that pre-date his report and four since.

MR WILSON: I think on the same page in the footnote you refer to Jarrah, which you've already given evidence about today. Jarrah never had an EBA, did it?

MR WATSON: I'm not sure, but I do know that 250,000 was spent by us, we or M Group, according to Gatto, to set it up.

MR WILSON: Yes. And in relation to that, it was set up for the purposes of getting young Indigenous people to become trainees and apprentices and things of that nature, wasn't it?

MR WATSON: No.

MR WILSON: Wasn't that the ostensible purpose of the company?

MR WATSON: What do you mean by ostensible? If you mean the real purpose, I would say no. If you mean by ostensible that that was the way that they described it to try to trick or fool people, yes.

MR WILSON: So - thank you. We start off with that. What then do you say was the real purpose of the company?

MR WATSON: It was to get access to lucrative work for an Aboriginal business through the social procurement framework in Victoria, which favours Aboriginal businesses. And this is notorious. It's happened a lot down in Victoria. It figures in my report. It's got a label which is often given to it called black cladding.

MR WILSON: But the context is, because of the Victorian Government's attitude and favouritism to Indigenous sources, including their ridiculous treaty, the fact of the matter is that a company set up for that purpose could well be for that purpose, that is, for the purpose of giving or finding employment for young Indigenous people.

MR WATSON: Look, a different company, there could be genuine - and there are; in fact, I spoke to several of them - genuine Indigenous, Aboriginal businesses which are flourishing, and it's a great thing. This one wasn't. Jarrah Resources wasn't.

MR WILSON: No, and indeed Jarrah Resources closed down fairly quickly, didn't it?

MR WATSON: Yes, because it was exposed that Gatto was behind it, and he said that himself on the Jacqui Felgate program.

MR WILSON: Well, his daughter was a - her company was a shareholder.

MR WATSON: Yeah, but what he told Felgate was that it was when The Australian revealed that he was behind it, the contracts were all lost and the business shut down, and that cost him, we, us or M Group $250,000.

MR WILSON: Now, if we turn the page and we look at paragraph 855 and 856, they're the two paragraphs where you try and suggest that neither Paragalli or Portia were inferentially people who ought to be running labour-hire firms and traffic-control firms because they had so many other corporate interests.

MR WATSON: Yes, it's hard to focus on your labour hire when you're running one of the world's largest shipping companies, or Beauty Bliss.

MR WILSON: Yes, well, let me just - I was hoping you'd come to Beauty Bliss. Beauty Bliss was under Mr Paragalli. It was his wife's beauty care company, and he was nominally on the face of it as a director, but his wife's company.

MR WATSON: What do you mean nominally? I thought you went by the corporate records very strictly -

MR WILSON: Yes, he was a director. He was -

MR WATSON: - and said that was a legal obligation.

COMMISSIONER: Don't talk each over each other.

MR WILSON: He was a director. But he did it to support his wife's company. He wasn't running it; she was running it. It was her beauty company. You're not suggesting -

MR WATSON: He's a director of a company. That's a very serious role when you take on -

MR WILSON: You're not suggesting that the company was involved in doing Mr Gatto's pedicure, were you?

MR WATSON: I don't know. What's a pedicure? Does that involve a pet?

MR WILSON: A pedicure is looking after your toenails and fingernails. So can we assume, therefore, that that really wouldn't have any effect on him running - the trades and labour and hire traffic companies, would it?

MR WATSON: Oh, no, but running a logistics business, all those other things. The telecommunications business.

MR WILSON: Just a moment.

MR WATSON: The other alternative building companies. It's spread very thin.

MR WILSON: Let me suggest to you that what you've done is you've gone through the list of companies of which you found he was a director and you've seized on the name of the company and immediately inferred some business from that that it was conducting. Isn't that true? Isn't that what you did?

MR WATSON: Yes.

MR WILSON: Yes. All right. Thank you. Now, let's go through some of the others. We've dealt with the wife's beauty company. Then there's a company - you refer to asset management.

MR WATSON: Yes.

MR WILSON: Well, I suggest that the name you fixed on for that was TMPP Asset Management.

MR WATSON: Yes.

MR WILSON: That owns the vehicles, the trucks, the cars for the business, and they're leased to M1 Traffic mainly and to some extent to M1 Labour.

MR WATSON: So I should have moved that into the column of one of the M Group companies?

MR WILSON: Well, perhaps. But the fact is -

MR WATSON: Why have a structure like that where the assets are owned by one company which is protected and all of the tax is payable by a single company?

MR WILSON: People are -

MR WATSON: That's what's very suspicious here.

MR WILSON: People are entitled to legitimately structure their companies to in fact minimise - not avoid, minimise - taxation.

MR WATSON: Hold on.

MR WILSON: Now, in that company, that company would lease assets to the operating companies within the group. And then there would be book entries transferring the moneys, and where the taxation obligation ended up I can't tell you, and I suggest you can't tell me either.

MR WATSON: I can. It ended up in a company which went into administration and defaulted on $7 million owed to - I can say the Tax Office, but I could also say to Australians generally. Now, I did -

MR WILSON: I think you're getting mixed -

MR WATSON: Now, I just need to correct something. I said it was a fine. The fine was $1.2 million. You just said people are entitled to restructure their affairs legitimately to reduce their tax. Normally if you legitimately reduce your tax you don't get fined $1.2 million.

MR WILSON: No, but sometimes if the company goes into administration and it owes a certain amount of money which includes penalties, you sometimes find as part of the arrangement that one of the directors will agree to pay some of the penalties. And you're calling that a fine; I'm suggesting to you it could well be a penalty. Just excuse me.

MR WATSON: All right. But Mr - whichever one of the fellows paid it, he described it in the affidavit as a fine.

MR WILSON: Yeah, well -

MR WATSON: So I'm in good company.

MR WILSON: - I'm putting to you it was a penalty.

MR WATSON: Well, he called it a fine. Why would he do that?

MR WILSON: It was payment of penalty. Who called it a fine?

MR WATSON: In the affidavit that you had prepared to bring me along so these questions could be asked, he actually calls it a fine. I'll just find the reference for you.

MR WILSON: No, you might be right about that, but if it is, the affidavit is technically wrong, because it was a payment of -

MR WATSON: No, sorry, he calls it a penalty.

MR WILSON: There you are.

MR WATSON: No, he does. I stand corrected. He said:

"I personally accepted responsibility for and personally paying a $1.2-million penalty arising from my role as a director during the relevant ATO assessment period."

MR WILSON: What a decent, honest director he is.

MR WATSON: Oh, really?

MR WILSON: He is.

MR WATSON: I mean, I wish could have ever accumulated enough of -

COMMISSIONER: Don't engage.

MR WILSON: Let's go to another one of your name tags for Mr Paragalli. Investment advice. We suggest that you are probably looking at the company called PPH Property Investment.

COMMISSIONER: Mr Wilson, I don't want to cut you off, but this is - you're cross-examining now on the companies, 34 of them, that are referred to by Mr Watson, as being one of nine bases for the inferences that he makes, and I think Mr Watson would accept that this ninth basis for the inference - that is, that Mr Paragalli and Mr Portia are involved in lots of companies - by itself doesn't go a long way in proving that Mr Gatto owns, partially owns or controls companies of the M Group. I mean, it's up to you, but I just -

MR WILSON: No, I won't be very long.

COMMISSIONER: All right.

MR WILSON: It's just a quick - I just want to show -

COMMISSIONER: I don't want to stop you, but -

MR WILSON: I want to do two things by this questioning. One is to show that Mr Watson was all too keen to just grab a company name and infer a business from it which was in contradistinction to running the trades and labour and the traffic control, and therefore suggesting that they were really inferentially being run by Gatto, and secondly, to show that he in his preparation of his report was lax and didn't really follow up on checking out these things, more than just looking at a company name and drawing inferences. I've only got about three or four to go.

COMMISSIONER: All right. Very well.

MR WILSON: In relation to investment advice, I suggest you saw the name PPH Property Investment.

MR WATSON: No.

MR WILSON: I see. Well, that company owns their warehouse.

MR WATSON: Don't worry about it. That wasn't the company to which I was referring.

MR WILSON: I see. And in communications there was a company called Bull Roar - I think you mentioned it earlier - Communications.

MR WATSON: No, that was Bull Roarer Technologies. I was talking about the one where they had actually a telco company.

MR WILSON: And that was set up for Jarrah, but it never operated because Jarrah closed its business.

MR WATSON: All right.

MR WILSON: And this is perhaps the best one of all -

MR WATSON: Is that a question? Can I answer it? Are you saying that bull Roarer should be moved from where I put it into the M Group Gatto column? Because it sounds like it's - it's a company directly connected with Gatto.

MR WILSON: Well, it was set up - I'm telling you my instructions are it was set up for Jarrah but it never operated.

MR WATSON: All right. Well, that means it should go into the Gatto column.

MR WILSON: All right.

MR WATSON: Rather than the additional companies column.

MR WILSON: And then this one I just couldn't help - I was tickled if this is true. Wallenius Wilhelmsen. You make the point of saying he has even been a director of Wallenius Wilhelmsen. No, not the Scandinavian shipping giant, just a company based in Pascoe Vale South, right? If you'd done your researches properly, you would have found out it is Wallenius Wilhelmsen the shipping giant. It was the Australian subsidiary of the Scandinavian company. Mr Paragalli worked there for about 21 years. It turned over about $150 million a year, and it had its - although had its registered office in Pascoe Vale, which was his home address, the fact of the matter was it operated from an office in the Melbourne CBD in Bourke Street.

MR WATSON: I'm so sorry, Wallenius Wilhelmsen was operating from Mr Paragalli's home?

MR WILSON: No, it wasn't. You don't listen to what I'm putting to you.

MR WATSON: Had a registered address at his home?

MR WILSON: The registered corporate address was at his home, but the operational company, the company, had an office in Bourke Street in Melbourne, and it turned over $150 million a year, and he worked there for 21 years, running the Australian subsidiary of the Scandinavian company.

MR WATSON: Well, then, who was running M Group companies? I mean, that sounds like a pretty busy job to me.

MR WILSON: It depends on the dates, doesn't it?

MR WATSON: Particularly if you're doing a bit of Beauty Bliss on the side.

MR WILSON: It depends on the dates. And in any event -

MR WATSON: It does depend on the dates.

MR WILSON: Don't - you see - don't follow an answer with a question. The answer is, you were wrong in your report, were you not?

MR WATSON: I was not. He was -

MR WILSON: You were wrong.

MR WATSON: He was a director of Wallenius Wilhelmsen. No, not the Scandinavian shipping giant.

MR WILSON: But it was the -

MR WATSON: But a company registered in Pascoe Vale. Tell me what is wrong in that sentence.

MR WILSON: What is wrong with it is you infer from your statement that his claim to be a director of Wallenius Wilhelmsen, which is a Scandinavian shipping giant, but that's not the company here, it's just some little company in Pascoe Vale and he's using the name. The answer was -

MR WATSON: You're the one drawing the inference, not me. I said what I said.

COMMISSIONER: We're really in the weeds now, aren't we?

MR WATSON: Really.

MR WILSON: It was the Scandinavian shipping giant. It was the Australian subsidiary of that company. And he worked for it.

COMMISSIONER: Well, I think you've made that point, and you'll introduce some evidence to that effect.

MR WILSON: Thank you. Then we go to Mr Portia's companies. You refer to security services. There was a company M1 Security, but he's no longer involved with that. He was only there for four months. Transport. Praxis Logistics. That's a shipping company, and after Mr Paragalli left Wallenius Wilhelmsen's subsidiary, they went into that, but that was sold in 2013. So gives you an idea of when Mr Paragalli stopped working for Wallenius Wilhelmsen's subsidiary. And in relation to hotels -

MR WATSON: I thought I was the one giving evidence, but you seem to just be spouting these things.

MR WILSON: I'm putting to you these matters, and I'll ask you -

MR WATSON: Do I get to cross-examine you, perhaps?

MR WILSON: I'm trying to save time and put these matters to you to see whether you're in a position factually to contradict them.

MR WATSON: Why don't you save time by not putting them to me?

MR WILSON: Because I want to show you up to be loose and careless.

COMMISSIONER: Mr Watson, Mr Wilson, can we just - Mr Wilson, just ask -

MR WILSON: This is my last one.

COMMISSIONER: Ask the question, and you answer the question, Mr Watson.

MR WILSON: The Malt - I think it's called the Malt Social, is it? Did you infer from that that he was running hotels or had something to do with hotels?

MR WATSON: No.

MR WILSON: All right. Well, you mentioned that company earlier, and I suggest to you that that was set up for the purpose of him selling his exclusive collection of whiskeys. His wife said to him, "It's about time you got rid of all that," and he did.

All right? So that would hardly interfere with his running of the other companies, would it? All right? Now -

COMMISSIONER: It's really getting into submissions now, Mr Wilson.

MR WILSON: Yes, if your Honour pleases. The next matter is this, that - you agreed, I think, from your evidence earlier that M1 Traffic had about $20 million worth of assets.

MR WATSON: No, I didn't agree with it. I was pointing out that was said in an affidavit. I've got no idea.

MR WILSON: I see. Well, assuming that is correct, that -

MR WATSON: Well, I'm not going to do that, because I actually don't trust a lot of the stuff that was presented to me.

MR WILSON: Yes. Well, you can check it by doing searches and so forth and company returns, which are obliged to set out assets and liabilities, aren't they?

MR WATSON: No. Sorry, they do not. Just in case you don't understand, if it says Pty that means proprietary. If it says Pty Ltd, you know what means? It's private. You cannot get access to that kind of material.

MR WILSON: Yes, all right. Now -

COMMISSIONER: I think you can if they're over a certain size, can't you?

MR WILSON: Yes.

COMMISSIONER: They've got to be very large.

MR WATSON: It's got to be very large.

MR WILSON: And would you dispute that M1 Traffic Control has about 23 to 30 per cent of the traffic control business on the Big Build sites?

MR WATSON: I was surprised to see that figure in the affidavit.

MR WILSON: Why were you surprised?

MR WATSON: I don't know whether it's true or not.

MR WILSON: Why were you surprised?

MR WATSON: Because it was very large.

MR WILSON: Well, they're not trying to hide it, but the fact is that in that year, that is, we go back to that 24 year where you've got other figures to compare with, I put to you that it had a gross of just under $22 million.

MR WATSON: Yes.

MR WILSON: At a gross margin of eighteen and a half per cent.

MR WATSON: Yes. Great.

MR WILSON: You wouldn't disagree with that?

MR WATSON: How would I know?

MR WILSON: Okay.

MR WATSON: You're just putting these figures to me. You're the one giving evidence, not me.

COMMISSIONER: Mr Watson, don't worry about the commentary. We'll just -

MR WHEELAHAN: Commissioner, I just note the one hour 45 minutes expires in six seconds but that doesn't take into account the 15-minute break, so just so that Mr Wilson knows.

COMMISSIONER: I think he's coming to the end, he said.

MR WILSON: I'm almost at the end. Almost. Now, in relation to the - you say in paragraph 861 on page 339 that the M Group received at least 10 CFMEU-endorsed EBAs.

MR WATSON: Yes.

MR WILSON: Now, are you drawing any distinction between an original EBA and its renewal, or are you suggesting there are 10 separate EBAs given?

MR WATSON: The process is that you have an EBA. Yes, you can have it renewed, but you need to go through a process where it needs to be approved and it needs to be stamped and sealed by the Fair Work Commission.

MR WILSON: Yes.

MR WATSON: My numbers are right. I had those documents in my hands when I was writing the report.

MR WILSON: So you wouldn't dispute that, in fact, M1 Trades and Labour and M1 Traffic Control each had an EBA but they were renewed about five times each?

MR WATSON: That could be the case. I didn't look at the numbers. That could be the case. But that means they've had 10 EBAs approved by the CFMEU.

MR WILSON: And my suggestion to you on instructions is that almost everyone that's got an NBA gets them renewed?

MR WATSON: Well, then why are they paying Mick Gatto?

MR WILSON: And the renewals - no, no, no. They were paying Mick Gatto not for the NBAs but having got the NBAs and having won tenders -

COMMISSIONER: EBAs.

MR WILSON: EBAs, I'm sorry. NBAs. Need to go to Harvard. The EBAs, I'm not suggesting they paid him for the EBAs. What they paid him for was having got EBAs and having won tenders to sites, they were then - their people were then being blocked on those sites by the sort of people you've referred to earlier in your report as the other big labour control companies -

COMMISSIONER: You've asked that a question a number of times and the witness has -

MR WATSON: But, Commissioner, I think I should draw attention, that's not what the fellow said in that affidavit, Portia. He actually said they couldn't deal with the CFMEU and they needed him, Gatto, to act as their intermediary.

MR WILSON: That's right.

MR WATSON: So he didn't say what has been put to me this morning. He said what I've said.

MR WILSON: I think we're in heated agreement. The fact of the matter is that Portia said in his affidavit that - he said in his affidavit, and I read this passage out to you, that - excuse me.

MR WATSON: I think I read it out to everybody.

MR WILSON:

"They would find it difficult to have their workers engaged on a CFMEU site without the intermediary of Mr Gatto."

That does not say they couldn't get an EBA. It talks about them having their workers blocked by other, bigger CFMEU people and Gatto acting as an intermediary - for which he got paid - to smooth things over and allow their people to continue working so M1, particularly Labour, could continue to earn about $30 million a year.

COMMISSIONER: You've asked that question of this witness.

MR WILSON: I know.

COMMISSIONER: He's said he hasn't changed his opinion on whether Mr Gatto owns, partially owns or controls companies.

MR WILSON: No, I understand.

COMMISSIONER: And he's said that your proposition was, in his words, very unlikely. So that's where we are.

MR WILSON: All right. Now, in relation to the - if you look at 2017, do you see that? That's the company that was forced into liquidation owing the ATO 700,000.

MR WATSON: I don't know what you're talking about now.

MR WILSON: 867, your own report.

MR WATSON: Right.

MR WILSON: Paragraph 867, page 340. M Group Construction Services was forced into liquidation owing the Taxation Office over $700,000.

MR WATSON: Yes.

MR WILSON: Now, in relation to that matter, first of all, I suggest to you that Mr Gatto had absolutely no connection whatsoever with M Group Construction Services.

MR WATSON: And I don't accept that.

MR WILSON: Right. Well, and you agree, though, that there is nothing in the formal ASIC documents to indicate that he had any connection with that company?

MR WATSON: Well, he did. He was actually an original shareholder in the original M Group company, then he remained in control of M Group through the Taggo investment but later the expressions that he made to Jacqui Felgate on the radio program.

MR WILSON: No, no, you're getting confused with the names now. I'm suggesting that he was a shareholder in M Group Trades and Labour Pty Ltd. He was not a shareholder or involved in M Group Construction Services Pty Ltd.

MR WATSON: Just pausing there, it's using that same title. See the M? See the G? It's coming from the same source.

MR WILSON: Oh ho.

MR WATSON: Sorry, please let me finish. It's coming from the same source. This company is obviously connected to the original M Group Trades and Labour company in which the (indistinct) connection is established.

COMMISSIONER: I think the question was, is there anything on the ASIC records that demonstrates that? And I think the answer to your question is - that question is no.

MR WATSON: Correct.

COMMISSIONER: But there are other things that you referred to, Mr Watson?

MR WATSON: Correct. That's correct. There's nothing in ASIC records. But that wasn't the question.

MR WILSON: All right. Now, the other point is this: I suggest to that you that if you'd actually looked at the records and the administration documents, you would have seen that that company fell over because they had two major clients fall over within a few months owing them a lot of money and therefore they didn't have the cash to pay the Tax Office the amount of money that was there, and about - of that 250, they should note, though, that 250,000 of that was paid back by M1 Traffic Control, and the rest of it, a lot of it was penalties. Half of the 700 was about penalties, and so no one's suggesting it was all paid back, but nevertheless I suggest to you Gatto had no connection with it and it was placed into administration initially and then into liquidation. But what I'm interested in is this: your paragraph 869 at 340 -

MR WATSON: There was no question there at the end of all that?

MR WILSON: Yes, I'm suggesting to you that you have no evidence to suggest that, number 1, Gatto had no connection with the company and, number 2, the reason it got into financial difficulties was because two major clients fell over.

COMMISSIONER: Which company are we talking about?

MR WILSON: This is M Group Construction Services, referred to in paragraph 867.

MR WATSON: Is your question do I accept that two companies fell over and that forced the company into liquidation?

MR WILSON: No, my question is do you have any knowledge, any factual knowledge that you can share with us that says that is untrue?

COMMISSIONER: Well, you had two questions. The first part was (crosstalk).

MR WILSON: Yes, the first question is direct factual knowledge, not inference, that M Group Construction Services had nothing to do with Gatto.

COMMISSIONER: Can you answer that?

MR WATSON: My answer to that is it's obviously connected to Gatto, and I've explained why.

MR WILSON: No, you say -

COMMISSIONER: Can you let the witness answer? You asked the question.

MR WILSON: Yeah, we've heard it all. M Group. M, oh, must stand for Mick Gatto.

COMMISSIONER: You're not there to answer your own questions, Mr Wilson. You've asked the question. Let the witness answer.

MR WILSON: It's just speculation and inference.

COMMISSIONER: Well, you can make that submission, but you asked the question. Do you want to answer the question, Mr Watson?

MR WATSON: I thought I'd answered that one, Commissioner, but I'll do it again. I believe, for the reasons that I've outlined, that Gatto was connected with it. I've said that a few times today.

MR WILSON: Now, secondly, do you have any factual knowledge that the reason that company got into financial difficulties was either - because two of its major clients fell over within a few months of each other?

MR WATSON: Do I know that as a fact? No, I don't, but I do know that it went broke owing $700,000 to the Australian Taxation Office, which had a kind of echo with the then later collapse of the M Group company.

MR WILSON: And then you say in 869:

"The suspicious circumstances surrounding the liquidation resulted from years of preparation."

Well, the company had only been going for 18 - for two years and three months between the time it was founded and the time it went into administration.

COMMISSIONER: Which company are you talking about now?

MR WILSON: This is M Group Construction Services.

MR WATSON: No. That's not what my report says. It's talking about M Group Trades and Labour in that respect, and of course it's taken years to do it, because they had to run up a $13-million debt to the Tax Department.

MR WILSON: Well, then, I'm glad you said that, because, you see, M Group Trades and Labour never went into liquidation.

MR WATSON: So sorry, I used the wrong expression.

MR WILSON: Bad luck.

MR WATSON: It's administration, I accept.

MR WILSON: All right. So you now want to correct that, and you now agree that M Group Trades and Labour did not go into liquidation -

COMMISSIONER: In his report it says administration, Mr Wilson, at 868.

MR WILSON: Yes, it never went into liquidation.

MR WATSON: Yes, I'm sorry, that was just very - by me, I was careless. I should have said administration rather than liquidation.

MR WILSON: I'm suggesting to you that if you read the whole of paragraph 869, you actually did intend to refer to M Group Construction Services as going into liquidation, not M Group Trades and Labour. Read it to yourself again, please. 869.

MR WATSON: I believe that the first sentence in 869 is referring to M Group Trades and Labour Pty Ltd, and that the word "liquidation" was just a mistake.

MR WILSON: Yes. And then yet in the same paragraph you say:

"Suspicious circumstances surrounding the liquidation resulting in years of preparation."

And then you say:

"In 2016 M Group Trades and Labour was registered. The only director was Michael Portia. About six months later, M Group Construction Services was put into liquidation over the $700,000 debt."

Now, I'm suggesting to you, plain English and construction means that where you referred to the suspicious circumstances of liquidation in the first sentence, you're referring to M Group Construction Services, because you repeat it in the middle of the paragraph.

MR WATSON: I'm not sure what your question is, but I can tell you this: it's about phoenixing. What happens is you've got M Group Construction Services. Good. Send it off. Put it into liquidation. We've failed to pay the ATO $700,000. I mean, in 2016, set up M Group Trades and Labour. That just sounds like phoenixing, doesn't it?

MR WILSON: No, it just sounds - it sounds like one company went under -

COMMISSIONER: Don't answer the question, please.

MR WILSON: All right. Now, the next point is this: you would accept, would you not, that there was an overlap or could have been an overlap in employees. That is, people who had been working for M Group Construction Services could well have been, at the same time, because the companies co-existed for a period of time, working for M Group Trades and Labour as well, that is, depending on which job they were sent out to.

MR WATSON: That might have happened. I -

MR WILSON: Yes, thank you. Because I'm instructed that most of the employees were working for both companies because they had a traffic EBA in one company and a labour in the other, and most workers were flexible and they shared the workers between the two companies. You wouldn't disagree with that?

MR WATSON: How would I know?

MR WILSON: All right. If you can't disagree, you can't disagree.

MR WATSON: Sounds a little bit odd to be working for two employers.

MR WILSON: All right. Now, next -

MR WATSON: Although I noticed that Justice Edelman did raise that prospect in argument during one of the leading cases in CFMMEU in the High Court. He did raise it.

MR WILSON: Yes. Now, you then say that in paragraph 871, that although that company, meaning - this time you are talking about M Group Trades and Labour - generated in excess of 30 million in 2024. Now, do you mean it generated 30 million or M1 Trades and Labour generated 30 million by using employees provided to it by M Group Trades and Labour?

MR WATSON: Well, I must be getting that from somewhere. Could you just show me - I'd have to read this bit of the report, at least the previous paragraph, because it's talking about that company. Could you just show me what the -

MR WILSON: It's on page 340, and it's - paragraph 870 was the one about the -

MR WATSON: Well, there you can. You can see all of the workers from M Group were then transferred to M Group Trades and Labour, although that company - and that's now talking about M Group Trades and Labour - generated in excess of 30 million. It went into administration. That's all correct.

MR WILSON: But M1 Group - M1 Trades and Labour was the company that did the work that generated the income initially, was it not? It was the company on the site, doing the work on the site. M Group - M Group Trades and Labour held the contracts of employment of all the employees and was responsible for paying the PAYG tax.

MR WATSON: You're saying that. I can't -

MR WILSON: You don't know. So you can't dispute it.

MR WATSON: What do you mean I can't dispute it? I've told you -

MR WILSON: Well, if you don't know, you can't dispute what I'm putting to you.

COMMISSIONER: He said he didn't know.

MR WILSON: Thank you.

COMMISSIONER: You're really descending into giving evidence from the bar table, Mr Wilson.

MR WILSON: Yes, your Honour. Yes, sir. Now, under the terms of the administration, it went into administration because the accountant hadn't caught up with or paid the PAYG tax that was owing. Do you agree with that much?

MR WATSON: Obviously not. Your accountant doesn't pay your tax for you. Or if they do, tell me his name.

MR WILSON: He's responsible for paying the tax on behalf - organising it, administratively organising it for the company.

MR WATSON: Well, then why did that chap Mr Paragalli accept the fine? That's just absurd.

MR WILSON: Because he's a director of the company.

MR WATSON: Are you saying that the accountant just forgot to pay $13 million to the ATO?

MR WILSON: I don't think he's any longer the accountant. Now, the next question is this. You say in 872:

"In what seems to have been an extraordinary misjudgment, her shares were purchased by Michael Portia."

MR WATSON: Yes.

MR WILSON: Well, why would there be a misjudgment?

MR WATSON: Why would Mr Portia -

MR WILSON: Because he knew the company was going ahead. It's never stopped trading.

MR WATSON: Good lord. Didn't you read the administrator's report?

MR WILSON: Yeah.

MR WATSON: They were proposing liquidation, which would have only given two cents in the dollar. They kept it going by getting contributions from another source, which are ongoing. They haven't been paid yet. I don't know whether they're being paid. The point is that what he was doing was buying into a company which was in, you would imagine, desperate financial circumstances if it could pay nothing toward a $13-million tax debt.

MR WILSON: This would not be the first company in history, would it, to have gone into a DOCA to appease its creditor, which in this case was just the one, the Tax Office, and to enter into an arrangement which allowed the company to keep trading in the hands of its directors?

MR WATSON: No, but you're quite right.

MR WILSON: Yeah. So you say:

"Despite the second company's collapse..."

It didn't collapse. It continued to trade throughout the whole period, subject to the DOCA, under which an amount is being repaid of, I think, 6-odd million in principal, and Mr Portia or Mr Paragalli are paying off - already paid 1.2 million and are paying another 1.2 million in - here it is - under the DOCA, they've already paid almost 2 million under the DOCA under the obligation to pay, I think it's six point something - six and a half million. And outside of that, they've paid 1.2 million of it, and with another 1.2 million still to pay in relation to an agreement for the penalties or however you want to phrase it. So do you have any -

MR WATSON: Is there a question?

MR WILSON: Yes. Do you have any facts to dispute that those are the facts concerning the company and its continued operation?

MR WATSON: There was a lot in that. I can't really remember everything you said, but I can restate this. I accept this fact: it owed $13 million as a result of the deed of company arrangement. They don't have to pay seven of those 13 million dollars.

MR WILSON: They're paying six and a half.

MR WATSON: Yes.

MR WILSON: And the penalties, though. They're paying 2.4 million in penalties as directors. Now, if these were just crooks and, as you say, and really just fronts for Mr Gatto, who you say -

COMMISSIONER: We're just getting into submissions now, Mr Wilson.

MR WILSON: No, no, I'm about to ask a question based on this - and Mr Gatto has a history of not paying tax, why would they have entered into the DOCA and paid money they didn't have to pay if they could've put it into liquidation and avoided the tax and paying the penalties individually?

MR WATSON: Because they probably made a judgment that they were facing too big a risk because the administrator referred repeatedly to potential serious offences of insolvent trading and the like. There would have also been, I imagine, some sort of investigation into a collapse of a $13-million debt to the ATO. And this way, they buy it out for 42 cents in the dollar, they pay 6 million and escape paying 7 million. That's why.

MR WILSON: Well, who's escaping paying 7 million?

MR WATSON: Whoever was getting the profits from the company during the period that it was running up a $13-million tax debt.

MR WILSON: Let me ask you this: do you agree that as a result of your report -

COMMISSIONER: Mr Wilson, Mr Wheelahan was about to get up, and I asked him to sit down.

MR WILSON: Sorry.

COMMISSIONER: Let's just see what he wanted to say.

MR WHEELAHAN: Fee for overtime, so to speak, now. It's really a matter for you, Commissioner, how much further you extend and give some sort of timeframe.

MR WILSON: I've got about five minutes to go.

MR WHEELAHAN: There you go.

COMMISSIONER: Very well. Does that disadvantage us you, Ms O'Gorman? Just hold on one tick, Mr Wilson.

MS O'GORMAN: I'll be fine. Thank you, Commissioner.

COMMISSIONER: Thank you.

MR WILSON: In relation to your report and its effect publicly, would you agree that there would have been a connection between people at the Victorian Infrastructure Delivery Authority reading that report and then speaking to a number of their companies or companies registered with them about the danger of dealing with business with Paragalli and Portia?

MR WATSON: I would hope so.

MR WILSON: Yes. Thank you. So if your report was unfair or arguably dramatically drew longbows that you were not entitled to, about control, as would you call it now, and other matters, then you would agree then it would equally reflect on the unfairness to their business of VIDA contacting various people they were doing business with and saying, "Watch out. These blokes are crooks," effectively.

MR WATSON: I don't believe that VIDA would do that. That is nonsense. I know some of the people from VIDA, and they are strictly professional, proper people.

MR WILSON: Yes, but -

MR WATSON: And they would not say - go around to building sites and say what you just said. That's absurd.

COMMISSIONER: We're getting way away from anything that's relevant to the issues here.

MR WILSON: Yeah. And we note that - I think you have a connection with Mr - the journalist from The Age, Nick McKenzie. You appear on 60 Minutes often enough with him, don't you?

MR WATSON: He's been a friend of mine, I'm proud to say, for well over 10 years.

MR WILSON: Yes.

MR WATSON: I regard him as a close personal friend.

MR WILSON: So he would have been one of the first people to receive a copy of your report?

MR WATSON: No. Well, no. It was published here. The report - I never published the report. I provided a report to Mark Irving and Mark Irving alone.

MR WILSON: Published it, subject to redactions?

MR WATSON: No, he did not publish it. Mark Irving did not publish this report. This report was published here. It came through this Commission, which issued a summons to me, and obtained a copy of the report - I believe probably also issued a summons to Mark Irving - and may have got it twice. But that's how it came out to be public. This had never been dealt with internally at the administration of the CFMEU.

MR WILSON: Your report was published in late January of this year, was it not?

MR WATSON: I don't know. It was published -

MR WILSON: I'm sorry, when you presented it to Irving or whoever else you had to -

MR WATSON: That was not publication at all. This was a private provision by me to Mark Irving, and it was done very strictly.

MR WILSON: Was that done in late -

MR WATSON: There's dangerous material in there. It was not spread.

MR WILSON: Was that done in late January?

COMMISSIONER: Why is this relevant to my inquiry? It might be relevant to -

MR WILSON: Because of the damage done to my client's business reputation.

COMMISSIONER: If you've got a defamation claim you want to bring, you bring it, and you've got processes through that (crosstalk).

MR WILSON: If you please. If you please. That concludes what I wanted to ask the witness about.

MR WATSON: I take it that the other matters on which it's said, Commissioner, that I made false statements, which were not challenged in cross-examination, are abandoned by that?

MR WILSON: I'm only interested in M Group, not -

MR WHEELAHAN: Commissioner, I've promised Ms O'Gorman just five minutes to adjust the bar table before she commences her cross-examination.

COMMISSIONER: So after we excuse Mr - sorry, what do you want to do? You want to adjourn for five minutes, do you?

MR WHEELAHAN: But before that, Mr Wilson would like to be excused from the bar table.

MR WILSON: If I may.

COMMISSIONER: Thank you. Thank you, Mr Wilson.

MR WHEELAHAN: And I would like five minutes.

COMMISSIONER: Very well. There's no re-examination on this issue?

MR WHEELAHAN: No.

COMMISSIONER: All right. We'll adjourn till 12 noon.

<THE HEARING ADJOURNED AT 11.53 AM

<THE HEARING RESUMED AT 12.04 PM

MR WHEELAHAN: Before my learned friend commences, just to give notice, there's correspondence - my learned friend will know the Davies correspondence, which were notified late last night that they want to rely on. It hasn't been redacted, so I ask that that not be brought on screen at this stage, and if they do wish to bring it on screen, we'll have it redacted over the luncheon break.

COMMISSIONER: So some correspondence from the solicitors instructing Ms O'Gorman and Mr Massy. Is that what it is?

MR WHEELAHAN: Yes, correct. Thank you.

COMMISSIONER: Ms O'Gorman.

<CROSS-EXAMINATION BY MS O'GORMAN

MS O'GORMAN: Thank you, Commissioner. Mr Watson, I want to start by asking you about a part of the report where you dealt with the lawlessness that you describe the CFMEU engaged in.

MR WATSON: Is this the Victorian report? We've been talking about it all morning. Or are we moving on to Queensland?

MS O'GORMAN: Thank you for asking me to clarify. We're moving on to Queensland.

MR WATSON: Good.

MS O'GORMAN: And all of my questions are going to be about the report that you prepared titled Violence in the Queensland CFMEU.

MR WATSON: Good. Thank you.

MS O'GORMAN: And I won't return to any questions about anything to do with Victoria.

MR WATSON: Great.

MS O'GORMAN: Mr Operator, might I have, please, page 9 of GW-4 brought up on the screen. And, Mr Watson, when I refer to GW-4, for the operator's benefit, that will be a reference at all times to the report that I've just described.

MR WATSON: Great. Thank you.

MS O'GORMAN: All right. Might I ask that you have a look at that screen there, Mr Watson. Do you recognise that part of the report headed Who Paid The Fines as being a section dealing with the cycle of lawlessness on behalf of the CFMEU?

MR WATSON: I can't remember where it was located in the report, but certainly if I didn't put it in the lawlessness section, I probably should have.

MS O'GORMAN: Do you have a copy of the report in hard copy just in front of you?

MR WATSON: Yes, I've got it. It's under a heading C - The Cycle of Lawlessness.

MS O'GORMAN: Terrific.

MR WATSON: And it follows The Attitude to Industrial Prosecution, and this one's Who Paid The Fines.

MS O'GORMAN: Thank you. So you're well oriented with the part of the report that I want to start asking you some questions about?

MR WATSON: Yes, I am.

MS O'GORMAN: All right. In that report, you say, and you have on an earlier hearing at this Commission given evidence about payments made by the CFMEU to pay fines which were imposed on its officials at various times. You remember explaining about those payments that were made?

MR WATSON: Yes. I - I knew only a little about it, but go on.

MS O'GORMAN: I see. You describe in this part of your report, that is, under the heading Who Paid The Fines, that those payments were an evasion of court orders. Do you remember that?

MR WATSON: Look, I may have said that. I don't remember it but I can tell you, I'd repeat it right now.

MS O'GORMAN: All right. Well, let's go to paragraph 58 and 59. Perhaps if those could be enlarged on the screen. If we have a look at the last sentence in paragraph 58, Mr Watson, we can see that you describe there being no doubt that those who were funded - being funded - I'm sorry:

"There is no doubt that..."

And the reference there is to the officials whose fines were paid:

> "...were being funded in a way to evade the orders of the courts."

Do you see that conclusion?

MR WATSON: Yes, except "they" is not just officials. It also was members.

MS O'GORMAN: I see. And then at paragraph 59, can you see this conclusion:

"The step of consciously evading court orders is serious, and a further demonstration of the utter disregard the CFMEU has for the rule of law."

Do you see that?

MR WATSON: Yes. Yes.

MS O'GORMAN: All right. Do you remember that, on a previous occasion when you've given evidence at this Commission, you said that you thought, during the course of your investigation, you became aware that there was a suggestion of an advice that had in fact been obtained by the CFMEU about the lawfulness of those payments?

MR WATSON: Yes. There'd been a suggestion made to me, and I believe that was an advice provided by the law firm Hall Payne.

MS O'GORMAN: All right. And your evidence on that earlier occasion was that you weren't sure if you ever saw the advice or even whether it existed; correct?

MR WATSON: That's right.

MS O'GORMAN: Okay. Now, since the occasion of your last evidence -

MR WATSON: I probably shouldn't have said that. If I had seen it, I would recall it, and I would've had a note of it. If I don't have a note of it, I very, very, very likely never saw it.

MS O'GORMAN: I see. Since that occasion, it's the case, isn't it, that you've been provided with three advices by counsel assisting?

MR WATSON: Well, they weren't advices by counsel assisting. I've been given three advices. One I remember was from John Agius, because I know him -

MS O'GORMAN: Mr Watson, I'm going to cut you off for a moment. If it was at all confusing, I'll repeat it. You have been provided, by counsel assisting, with three separate advices; correct?

MR WATSON: Yes.

MS O'GORMAN: Thank you. Now, for the purpose of these questions, I would prefer that you not announce the names of the persons who provided the advices. That won't be relevant for my questions.

MR WATSON: I'm sorry; I've just said one.

MS O'GORMAN: That's okay, but just moving forward, there's no need for us to do so. One of those advices was an advice written on 28 April 2021 by a Queensland silk, wasn't it?

MR WATSON: Well, yes. Can I look at the advices? They were given to me by the Commission in a separate volume. I believe they're here. Can I look at them?

MS O'GORMAN: Of course.

MR WATSON: But, look, that's my recollection.

MS O'GORMAN: Okay. Then take it up.

MR WHEELAHAN: Just before that happens, the livestream is behind. The name of one of the persons was mentioned, and we won't want that name broadcast.

COMMISSIONER: Is it really a big issue? I mean, I know - the person who's mentioned is a very senior lawyer. What does it matter that he gave some advice to Mr -

MR WHEELAHAN: Look, on reflection, it's probably remedied because there's a number of advices.

COMMISSIONER: Sorry.

MS O'GORMAN: Commissioner, my -

MR WATSON: Commissioner, I think I'm affected by this. I got a note which said something to the effect that these would not go into evidence, but it puzzled me as to why they would not. I mean, if this going to be put as being a basis for some sort of submission, then perhaps there's going to have to be some reflection on the content and quality of these advices, but that's not my -

COMMISSIONER: Let's deal with one point at a time. We're just dealing with Mr Wheelahan's issue about the livestream and the name that's been advanced. Ms O'Gorman wants to say something about that, so perhaps let her say something about that first.

MS O'GORMAN: Commissioner, can I explain myself in the next line of questioning in this way: the conclusion drawn in the report is that the payment of fines by the CFMEU is evidence of its utter lawlessness and its utter disregard for the law. I'm going to ask this witness whether he has since been provided with advices to the effect that that payment was lawful and whether that must necessarily undermine the conclusion that the CFMEU had utter disregard for the law because they sought and obtained advice from two prominent, very experienced and well-respected silks.

My concern is that this witness might attempt to comment on the veracity of that advice, because he did on the last occasion and was scathing about it. If that is to be the case, I don't consider it fair that the authors of the advice be subject to criticism by Mr Watson, given that they're not here to defend the advice. And the content of the advice is not the issue; it's the fact that the CFMEU sought the advice which is in issue. Those are my reasons for suggesting that the authors not be named.

COMMISSIONER: What do you say about that, Mr Wheelahan?

MR WATSON: Commissioner, I think I've got something here. So I take it what can happen is there can be cross-examination and, in due course, submissions attacking my position on this legal issue, but the other people are untouchable? I don't understand that. That doesn't seem fair.

MR WHEELAHAN: Between counsel, those advices, it's been agreed, will not be tendered into evidence. Mr Watson has a copy of them because they were provided by Ms O'Gorman to me to provide to Mr Watson to read. Out of an abundance of caution, on one view, just the name that was mentioned, there could be a non-publication order about that name, which has been a past practice once before.

COMMISSIONER: But Ms O'Gorman wants to say that paragraphs 54 to 59 of this report are wrong. She might want to say that in submissions, and she might, as a step to doing that, want this witness to accept that they're wrong. In order to be fair to this witness, in order for her to make her ultimate point that those paragraphs are wrong, the intermediate point of putting that proposition to this witness requires him to be able to comment on the advice.

MR WHEELAHAN: Correct. That's why I asked for the non-publication order with respect to the name that was already said. He can comment on the advice, and on the last occasion he was scathing, and he should be allowed to do so, and all we're asking is when he comments on the advice, don't say the author of that advice. And if it gets to that, that he has to, I mean, Ms O'Gorman KC has just put a proposition to him as to their regard, and it might be Mr Watson does say something scathing about a particular advice.

COMMISSIONER: Maybe he does want to say that this proposition being put to him - maybe he wants to say, "Look, there's a difference between an advice from Sir Garfield Barwick and a suburban solicitor."

MR WHEELAHAN: That's my point.

COMMISSIONER: Well, in order for him to make that point, he needs to refer to Sir Garfield Barwick, doesn't he?

MR WHEELAHAN: He might later on, but we're trying to jump at shadows that there's - one of the counsel attended the hearing on 26 April for this very issue. No, it was an unrelated issue.

COMMISSIONER: This is the - if you're a lawyer and you write an advice and the client waives the privilege and it gets into an open inquiry, then your advice can be criticised. I mean, that's part of the trade. What's the - I mean, I'm not preventing Ms O'Gorman from making the submission she wants to make, including this intermediate step of trying to get the witness to agree that he was wrong, which makes her ultimate submission much easier. But I've got to be fair to this witness as well.

MR WHEELAHAN: Yes, Commissioner.

COMMISSIONER: And I don't know how can you be fair to him if you don't allow him to criticise the advice if he wants to. He might agree with it; I just don't know. But one of the things he might want to say is - whatever he might want to say about the author of the advice.

MR WHEELAHAN: I can't disagree with you, Commissioner. Perhaps I was being a little bit overly cautious. I'll sit down.

COMMISSIONER: Do you want to be heard about that, Ms O'Gorman?

MS O'GORMAN: For present purposes, Commissioner, I can indicate I'm not going to be asking about the content of the advice. It's not relevant for my questions. Mr

Wheelahan in re-examination may well want to ask about it, but I won't be, and in those circumstances I'm not going to name the authors. It's merely the seeking of advice which is relevant for my purposes.

COMMISSIONER: Right. Well, then, we'll just see where the witness takes it from there.

MS O'GORMAN: Thank you, Commissioner.

COMMISSIONER: I'm not sure we need to make the non-publication order, given what the witness has just said.

MS O'GORMAN: Mr Watson, I'm going to commence my questioning in this way. You say that the payment by the CFMEU of personal payment orders was a breach of court orders; correct?

MR WATSON: Well, yes.

MS O'GORMAN: Okay. And you say that that was consciously done; correct?

MR WATSON: If that was what was done. I think I gave evidence -

MS O'GORMAN: Well, you say it was what was done, Mr Watson.

MR WATSON: But you've just used the expression "CFMEU", and I understood that what had happened was that it wasn't the CFMEU. They had carefully avoided making the payments, because that would've been a very obvious breach of the order. Instead, they got third parties to make the payment. Now, that's what I understood, but you've got to remember, this was a vague understanding. I hadn't seen the Hall Payne advice, and when I questioned the witnesses about it, they all claimed privilege against self-incrimination, and so I couldn't get to the bottom of it.

MS O'GORMAN: All right. So your conclusion was at the time you wrote your report that, firstly, there was no doubt that certain people were having their personal payment orders funded in a way to avoid the orders of the courts. I'm reading from the last sentence in paragraph 58. That's your conclusion?

MR WATSON: That's absolutely it. That's right. I stand by that.

MS O'GORMAN: All right. And at paragraph 59, you say that that was a conscious evasion of court orders. Do you see that?

MR WATSON: Yes.

MS O'GORMAN: All right. At the time you prepared your report, you might have heard a rumour that there was an advice that such processes were lawful, but you yourself didn't have access to any such advice; correct?

MR WATSON: That's my recollection and belief. I would have mentioned it had I seen that advice.

MS O'GORMAN: All right. Subsequently, you have been provided by counsel assisting with three advices. I'm just going to ask you to confirm, for present purposes, that one of those is an advice dated 28 April 2021.

MR WATSON: Yes.

MS O'GORMAN: And that advice is, generally speaking, to the effect that the processes which had been put in place for the payment of personal payment orders was not in breach of court orders; correct?

MR WATSON: Except they do qualify it. I mean, there were two barristers that gave that opinion. And what they do say in paragraph 31 is that something upon which they were not asked to address was the political or reputational consequences of the CFMEU Queensland, the separate state body, assisting the person that was subjected to a personal payment order. So they do qualify it.

MS O'GORMAN: No, Mr Watson. If you go to page 1 and have a look at question 2 -

MR WATSON: I see that, but I've just told you, they qualify it at paragraph 31. I can't ignore that. I know that they answered the specific question.

MS O'GORMAN: I think you're getting confused, Mr Watson. Paragraph 31 is a qualification drawing the attention of the reader to the fact that, although entirely lawful, there may well be political or reputational consequences.

MR WATSON: I'm not making that mistake. I'm just reading the words of it, and I was pointing out that you made a statement about it and I think that it was qualified.

MS O'GORMAN: All right.

MR WATSON: But, see, this is the reason. Somebody should, to make a proper judgment about this, be able to read - I'm speaking to you, Commissioner, I'm sorry, or counsel assisting - be able to read these advices and to consider whether what I'm saying is right or wrong.

MS O'GORMAN: All right. Mr Watson, could you please turn to page 1 of that advice.

MR WATSON: Yes.

MS O'GORMAN: And could I please ask you to have a look at the second bottom paragraph there.

MR WATSON: Yes.

MS O'GORMAN: Do you see that the question is:

"If a personal payment order prohibits..."

MR WATSON: Don't bother reading it. I can read it.

MS O'GORMAN: Mr Watson, please don't tell me what to do. I'm going to read it out so that those listening -

MR WATSON: All right. Read it out. That's a good use of time.

COMMISSIONER: Mr Watson, I know you've had a bit of roughing up this morning with Mr Wilson, but we don't need that.

MR WATSON: Yes. I'm sorry.

MS O'GORMAN: Can you see there that the question asked is this:

"If a personal payment order prohibits assistance from the CFMMEU, will a person breach the order if she seeks or receives assistance from the CFMMEUQ?"

And the answer is:

"No. The state and national organisations are separate entities."

Can you see that?

MR WATSON: Yes, that's what's written there.

MS O'GORMAN: All right. I'm not asking to you comment on your opinion about the accuracy of that advice.

MR WATSON: Well, I don't think that's fair.

MS O'GORMAN: What I'm asking you is just to confirm that you've now seen evidence that in fact, in 2021, the CFMEU asked the very question about whether the payment of the orders was lawful and that they received advice that it was.

MR WATSON: Not whether it was lawful; whether it was unlawful.

MS O'GORMAN: Yes. And you can see that the answer that was provided in that advice is, no, it was not unlawful; correct?

MR WATSON: That's right.

MS O'GORMAN: All right. And do you agree -

MR WATSON: I think that's an important distinction, by the way.

MS O'GORMAN: Well, do you agree that one of the other advices that you have been provided with more recently is an advice dated 20 September 2021?

MR WATSON: Yes.

MS O'GORMAN: And that that advice agrees with the first advice that we just looked at?

MR WATSON: Yes.

MS O'GORMAN: All right. And do you agree that one of the other advices that you've been provided with is a much more recent advice provided to the CFMEU since it's been placed into administration, dated 1 September 2025?

MR WATSON: Yes.

MS O'GORMAN: Which, in broad terms, also agrees with the lawfulness of what was done?

MR WATSON: No. Have a look at paragraph 21:

"None of the above should be construed to express any view about the propriety of the CFMEUQ making the donations in question."

MS O'GORMAN: And you'll accept from me -

MR WATSON: This is the distinction which I'm drawing between asking somebody whether something is unlawful or whether it's lawful. There's a really very large question here, which is, is this proper? You might think the answer is purely able to be answered as a matter of law, but think about it now. There's an ethical or moral question which governs a determination as to whether or not the CFMEU in Queensland -

MS O'GORMAN: Mr Watson, I'm going to ask -

MR WATSON: - made itself outside the law.

MS O'GORMAN: Mr Watson, you're straying well beyond the question that I asked, and I want to return us -

MR WATSON: You asked me whether it agreed with the earlier ones. It heavily qualified it. I've pointed that out.

MS O'GORMAN: Mr Watson, do you agree with me that evidence that shows that the CFMEU sought advice from two separate prominent, experienced silks in 2021 about whether these processes were lawful seriously undermines your conclusion that in engaging in these processes, the CFMEU was demonstrating utter disregard for the rule of law?

MR WATSON: I don't like the expression "seriously undermines", but I would agree with you that they have taken some steps. But when I look at these, I ask myself: why? Why are they seeking these opinions about doing this thing when it's so plain as to what the purpose of the order was and it's so plain as to what should have been done - I'm talking about moral and ethical issues here -

MS O'GORMAN: Mr Watson, could you please just limit yourself to answering my question. I have a lot of material that I need to get through today, and I have absolutely no chance of doing so if every time I ask you a question, you continue with a commentary that's not responsive to the question that I asked. I'm going to ask you again: do you agree that, in obtaining these advices, the CFMEU was appropriately checking that what it was doing was lawful?

MR WATSON: No.

MS O'GORMAN: You think it was inappropriate for the CFMEU -

MR WATSON: No, I didn't say that. You asked me a question whether it was appropriate. Go on.

MS O'GORMAN: Do you consider it was appropriate for the CFMEU to seek advice about the lawfulness of the process of paying personal payment orders?

MR WATSON: Yes, that's appropriate.

MS O'GORMAN: All right. And do you agree that, having sought that advice from two different silks and being told that those processes were not unlawful, that continuing to engage in those processes does not demonstrate an utter disregard for the rule of law; in fact, it shows an intention to comply with the rule of law?

MR WATSON: No, I don't agree with that at all.

MS O'GORMAN: And why is that?

MR WATSON: Because it's very plain. Have a look at the way in which the personal costs orders are framed. They're directed at the people to make sure that it operates as a deterrent. And what is happening here is that, to evade that impact, a quite artificial scheme was devised, and what the CFMEU was doing was trying to get advice which would justify them on a tiny point of law, overlooking the larger policy, ethical, moral issues. Now, if you think that it's appropriate that those orders be evaded by these techniques, I'm sorry, you are wrong.

MS O'GORMAN: Mr Watson, I'm not expressing any opinion of any kind whatsoever. It's the case, though, isn't it, that these advices advised that the processes which were being engaged in were lawful?

MR WATSON: Subject to qualifications, yes.

MS O'GORMAN: All right.

COMMISSIONER: I think your question before that was it was appropriate for the CFMEU to continue to act as it had been on the basis of that advice, and the witness said in his view it wasn't appropriate.

MS O'GORMAN: To act on the basis of the advice?

COMMISSIONER: To continue to act notwithstanding the advice, and his definition of appropriateness is broader than yours. That just seems to be the issue.

MS O'GORMAN: Well, perhaps I can short-circuit things by asking this. And, Mr Watson, if you could limit yourself to "yes" or "no" answers, at least at first instance, I'd be grateful. You accept that, in 2021, the CFMEU sought advice from two silks about the lawfulness of the processes that it was engaged in for paying personal payment orders; correct?

MR WATSON: No. They were actually framing the questions in a very careful way which had nothing to do with lawfulness. It was directed at whether or not they could escape a criminal penalty, and that's quite a different issue, because lawfulness, I think, requires obedience to the spirit of the orders.

MS O'GORMAN: All right. You understand, though, that the questions which were asked of these silks was whether or not the processes that were being engaged in would breach the orders which had been made; correct? That is the wording of the questions?

MR WATSON: That's close to it.

MS O'GORMAN: Thank you. And the answer which was given in each case was no, the processes will not breach the orders that have been made by the court; correct?

MR WATSON: In broad terms, yes, subject to two of them qualifying that.

MS O'GORMAN: And do you not agree that it is, in all cases, entirely appropriate for a client to seek advice from silks if they are unsure about the lawfulness or otherwise of their conduct?

MR WATSON: Well, of course. In general terms, you would say yes.

MS O'GORMAN: Thank you.

MR WATSON: If you're asking about the specific case here, I would say no.

MS O'GORMAN: You say it was not appropriate for the CFMEU to seek advice about whether or not the processes it was engaged in would breach any orders?

MR WATSON: Of course it isn't. Have a look at it. Be careful with the terms here. We'll distinguish them by talking about the CFMEU federally, is seeking this advice about what it can or can't do to let members off the hook of these personal payment orders, and that involves having the fines paid by the Queensland CFMEU. In other words, what they're doing is seeking advice which would allow them to defeat the obvious point and purpose of the costs orders. Since when is that appropriate? You don't have clients who go out to say, "How far can we stretch the law and get away with it?"

MS O'GORMAN: All right. I think it's plain that your conclusion remains, does it, that despite the taking of advice from two senior silks that the processes that were engaged in were not a breach of court orders, you continue to conclude that by complying with that advice, the CFMEU demonstrated utter disregard for the rule of law?

MR WATSON: I didn't say anything -

COMMISSIONER: Let the witness answer.

MR WATSON: I didn't say anything. You've said "by complying with that advice". They weren't advising the CFMEU, federal CFMEU, to do this. They were advising, in effect, you can evade a criminal prosecution for a contempt if you do do it. That's really the substance here.

MS O'GORMAN: Well, Mr Watson, it's not even the words. The answer was the advice given was that this process would not breach court orders.

MR WATSON: But the point I just made stands. Just think about what you're saying. The fact is that they're going along saying, "Well, we know there are personal costs orders. Can we do this to defeat the obvious point and purpose of those orders?" And if you ask me, that's further proof of lawlessness.

MS O'GORMAN: I see.

COMMISSIONER: I just wonder - and I don't want to stop you at all, Ms O'Gorman. I just wonder how far we can get with this witness, because at some point counsel assisting is going to make some submission about Mr Ravbar's conduct, and that's why you're asking these questions, and one of the things that counsel assisting might refer to is the fact that Mr Watson said that there is a scheme to avoid these personal payment orders. Now, I don't know if counsel assisting will ultimately say that or not, because counsel assisting will have the benefit of these advices so might not make that submission. But you're trying to protect your client's position legitimately in case that submission is made.

MS O'GORMAN: That's so.

COMMISSIONER: But if that submission is ultimately made, isn't Mr Watson right that to determine that, we've got to know all the context, and we've got to have a look at these advices. And you will say, "My client acted entirely appropriately. He took advice from senior lawyers, and those lawyers said he could do this, and therefore no finding should be made against him."

MS O'GORMAN: Thank you.

COMMISSIONER: So what does Mr Watson's opinion add to all that?

MS O'GORMAN: I did want Mr Watson to confirm whether he stood by paragraph 59 or whether the new information caused him to revisit his conclusion that the conduct engaged in demonstrates utter disregard for the rule of law. That's now been answered, and I intend to move on.

COMMISSIONER: Very well.

MS O'GORMAN: The rest, as you say, Commissioner, will be a matter for submissions in due course.

COMMISSIONER: And as I say, counsel assisting, having got those advices, might not ever make that submission.

MS O'GORMAN: Thank you. I wanted to move on to some -

COMMISSIONER: Ms O'Gorman, I know we'd scheduled to have a break at 12.30. I just had arranged some things at 12.30. I know it's not all that convenient, because you've only just started, but I wonder whether - we can come back a little bit earlier if you want.

MS O'GORMAN: Commissioner, can I say this: at the time that we needed more time with this witness, it was indicated we needed a full day. I have tried very hard to pare that back. I am really doubtful that we will be able to conclude today, given I've just started. I will do my very best, but I don't think that short-circuiting lunch is going to make a difference one way or the other.

COMMISSIONER: Well, I don't think that will please Mr Watson as well, because as much as he loves Queensland, that would be his fourth trip if he came back again, so -

MS O'GORMAN: I do appreciate that, and as I say -

MR WATSON: I'm not coming back. You realise I come here voluntarily. I'm not subject to the jurisdiction here. I come voluntarily. Every time I come it costs me money, and this is the sixth day I've spent in the witness box.

COMMISSIONER: All right. Well, let's just see where we get to at the end of this afternoon. It's been a long week and a trying morning for Mr Watson, given the very searching cross-examination he was exposed to this morning. So perhaps we'll come back at 1.30 after everyone's had a break.

MS O'GORMAN: Thank you, Commissioner.

<THE HEARING ADJOURNED AT 12.35 PM

<THE HEARING RESUMED AT 1.30 PM

MR WATSON: I apologise for that outburst. Of course I'll come back if I'm asked to do so.

COMMISSIONER: Thank you, Mr Watson.

MR WATSON: I'm sorry, Commissioner, I shouldn't have -

COMMISSIONER: No, no, it's been a trying morning for you, and I understand the attitude. You've devoted a lot of time from your sense of public service to this Commission, and we're grateful for it and grateful for what you've just said. Ms O'Gorman.

MS O'GORMAN: Commissioner. Mr Watson, I want to take you to page 11 of your report now. Mr Operator, if you could bring up GW-4 at page 11. And I'm interested in paragraphs 75 and 76, please.

MR WATSON: I've read those.

MS O'GORMAN: Thank you, Mr Watson. You can see there in paragraph 75 you talk about this minister receiving abusive telephone calls; correct?

MR WATSON: Yes.

MS O'GORMAN: And you say that the minister was constantly abused by Ravbar; correct?

MR WATSON: Yes.

MS O'GORMAN: And that the abuse was so bad that the Queensland Police insisted that that minister be given a security upgrade; correct?

MR WATSON: Yes.

MS O'GORMAN: All right. Now, I suggest to you that your handwritten notes of your discussion with that minister do not reveal that the minister told you that the security upgrade was given because of abuse by the CFMEU or Mr Ravbar?

MR WATSON: That's all what I was talking to the minister about. My handwritten notes - you will remember last time you said I didn't have a note at all. I take it you're now conceding - I have an explicit note recording this. What do you think I was asking the minister about? I was looking at violence in the CFMEU.

COMMISSIONER: I think the question was more narrow than that, Mr Watson. Perhaps -

MR WATSON: Okay, I'm sorry. I don't know. You've got the note; I don't.

MS O'GORMAN: All right. Well, I'll read it to you.

MR WATSON: No, don't bother. If it doesn't say it, there's a reason why it doesn't say it. It's because there was no other thing that we were talking about.

MS O'GORMAN: I'm just very conscious to be -

MR WATSON: Who do you think they're getting it for? From Santa Claus? They're giving a security upgrade.

COMMISSIONER: Just wait for the question.

MS O'GORMAN: I will read it, because I don't want it suggested later that I've not put what is in the handwritten notes. The handwritten notes say:

"Police insisted on..."

Name - it's not on the screen:

"...getting security upgrade."

And that's the extent of it. Not because of constant abuse by the CFMEU or by Mr Ravbar. Do you accept that that's what in your handwritten notes is all I'm asking you for present purposes, Mr Watson.

COMMISSIONER: He might have to be given the notes if he wants.

MR WATSON: No, I haven't looked at it. I'm assuming you read it accurately.

COMMISSIONER: For that question, I think he has to be given the notes.

MS O'GORMAN: Thank you. Mr Watson, could you take up the folder with Part B on the front page?

MR WATSON: Yes, I've got one with a cover page saying Part B.

MS O'GORMAN: Thank you. And turn to page 1307.

MR WATSON: 13 -

MS O'GORMAN: 07.

MR WATSON: Got it.

COMMISSIONER: Have we got this on the screen?

MS O'GORMAN: No, this one's not available for the screen.

COMMISSIONER: Okay. This is a public inquiry. Mr Wheelahan, is there a way it can be put on the screen?

MR WHEELAHAN: No. By agreement - this goes back some time - these private notes are not being tendered, and so they're not on screen. There's hard copies there. You'd have a hard copy. Ms O'Gorman has a hard copy. I have a hard copy.

COMMISSIONER: It's just for everyone else to follow also.

MR WHEELAHAN: Well, Ms O'Gorman is reading it out.

COMMISSIONER: Beg your pardon?

MR WHEELAHAN: Ms O'Gorman's reading it out, and her proposition, which is a simple one, she's going to read the page and say, "Well, it doesn't say that," and Mr Watson's actually already answered the question, but now we're going through the process of having it read to him.

COMMISSIONER: The question was, "Do you agree with me this wasn't in your notes?" As a matter of fairness, he has to be given the notes. This is a public inquiry. It'd be useful for the people who are in the hearing room and on the livestream to be able to see the documents that are given to the witnesses, unless there's some reason that they shouldn't be. That's all.

MR WHEELAHAN: Yes. So there is a reason. The handwritten notes, which we're going to, had names of persons and sources who feared for their life, some of them, and so we took a very cautious approach, as you'll recall, that (a) we had those handwritten notes produced, and then they were provided between counsel for the purposes of cross-examination. Now, that's the reason for it. If it's being read, the public nature of the inquiry is still satisfied. Yes, they don't see it on screen, but it's being read out. I think perhaps we just let that play out.

COMMISSIONER: All right. Let's see how we go, but I imagine there's going to be quite a bit of this this afternoon.

MS O'GORMAN: No, I can mostly avoid it.

COMMISSIONER: All right. Very well. Thank you.

MS O'GORMAN: Commissioner, because I think you have this folder in front of you, can I just identify for your purposes that it's the folder on the front that says Watson SC Documents - Part B.

COMMISSIONER: Thank you.

MS O'GORMAN: And then if you would turn to page 1307, I'm asking about the handwritten note at the top of that page.

COMMISSIONER: Yes. Thank you.

MS O'GORMAN: All right. Thank you. Mr Watson, you've got page 1307 in front of you?

MR WATSON: Yes.

MS O'GORMAN: All right. Terrific. And have you been able to satisfy yourself, looking at that page, that this relates to your interview with the minister in question?

MR WATSON: Yes.

MS O'GORMAN: Thank you. And can you see that what you've written up the top is:

"Police insisted on this person getting a security upgrade."

MR WATSON: Yes.

MS O'GORMAN: All right. Then I'm going to ask you, please, to turn to the typewritten notes of this interview with the minister. And someone's helpfully opened that up in the other folder, which is near to your left elbow at the right page.

MR WATSON: Yes.

MS O'GORMAN: And, Commissioner, this would be the second of the other two folders, so the one with volume 2. And might I ask that you, Mr Watson, turn, please, to page 1503.

MR WATSON: 1503?

MS O'GORMAN: 1053. Pardon me.

MR WATSON: 1053. Yes.

MS O'GORMAN: Now, for some of the interviews that you conducted, you had an assistant with you by the name of Mr Keogh; correct?

MR WATSON: He would say I was his assistant. I used to call him my boss.

MS O'GORMAN: All right. Mr Watson, if the proposition I'm putting to you is correct, if you can just adopt it, that will mean that we can move through things a lot faster.

MR WATSON: Well, I wasn't his assistant. He was not my assistant. Peter came along to a lot of the interviews.

MS O'GORMAN: All right. Mr Keogh attended a lot of the interviews to help you; is that right?

MR WATSON: Yes.

MS O'GORMAN: All right. And on one of those occasions, he was present when you interviewed the minister in question; correct?

MR WATSON: Yes.

MS O'GORMAN: And page 1053 contains Mr Keogh's typewritten notes of that interview; correct?

MR WATSON: Yes. I - I mean, there are some similarities between my notes and these notes which makes me think that's so.

MS O'GORMAN: All right. Then could I ask you, please, to have a look at the passage which appears to speak about this minister's security upgrades. Can you see the passage which commences: "It takes a lot to get me to appoint"?

MR WATSON: Yes.

MS O'GORMAN: And can you see that what Mr Keogh wrote about what this minister said was this:

"It takes a lot to get me to a point, but police commissioner spoke about security. You need to up security in home. Some security upgrades around administration. Never had that before. Didn't reveal intel."

Do you see all of that?

MR WATSON: Yes.

MS O'GORMAN: And so do you agree with me that what the minister was conveying was that a police commissioner had spoken to that minister about increasing security around the time of the administration but didn't reveal the intelligence. That's right, isn't it?

MR WATSON: No, I don't - I - that's not how I read that, but there we are.

MS O'GORMAN: Well, what do you say that those notes say that is different to what I've suggested?

COMMISSIONER: You just asked two different questions. The question before was what did the minister tell you, and now you're asking him about the notes, that is, you're asking him to interpret the notes. I just wonder whether there's much utility in that. They're not his notes.

MS O'GORMAN: Does your memory accord with the fact that the minister told you that a police commissioner had suggested to that minister that there be some security upgrades done around the time of administration but didn't tell the minister the reason for that?

MR WATSON: No. I - my recollection is, it was absolutely vividly clear that this was happening because of relentless abuse by CFMEU members, especially Ravbar.

MS O'GORMAN: Do you recall that on 23 April when you gave evidence at this Commission, you said that when you interviewed your interviewees, you kept a record of the important details that were given to you?

MR WATSON: I don't remember saying that, but that's what I did.

MS O'GORMAN: Well, do you agree that if this minister had in fact told you that security was increased because of constant abuse by the CFMEU and Ravbar, that's an important detail which should have been recorded by you?

MR WATSON: No, because have a look at page 1305, leading up to my notes. The CFMEU has the most aggressive - aggressive advocates. They couldn't satisfy their appetite. They heckled on formal occasion. Aggressive calls, blah blah blah. Jim Murphy was appalled at the way Ravbar spoke to the minister.

MS O'GORMAN: We won't say names.

MR WATSON: Leading, blah blah blah, Ravbar commonly abusive, relentless. And then it goes all down the next page, about one issue, CFMEU abuse, and especially Ravbar's abuse, leading into "police insisted on security upgrade". That's why the minister got it. Now, I take it you've got the minister coming or has been. Ask the minister.

MS O'GORMAN: Well, I'm not in charge of this inquiry, Mr Watson. I'm not the person calling witnesses, and I can't say whether this person is or is not coming. Can I ask you this: is your memory, then, different - well, is your memory that the minister did not say security was increased but the intelligence was not revealed to me?

MR WATSON: I can't remember any discussion about the intelligence.

MS O'GORMAN: All right. Okay.

MR WATSON: I've got no doubt that it must have been mentioned, because Peter Keogh's made a note about it.

MS O'GORMAN: Okay. Can I ask, please, Mr Operator, for page 18 of the report to be brought up, then. And might I ask that paragraph 128 be enlarged? Mr Watson, can I ask that you read that paragraph to yourself.

MR WATSON: I've read it.

MS O'GORMAN: Thank you. Can you see that the second-last sentence, you record as a matter of fact that Mr Ravbar erupted and demanded that all CFMEU delegates to the conference immediately leave?

MR WATSON: What do you mean, state as a fact? I'm recording what I was told.

MS O'GORMAN: All right. Who were you told that by?

MR WATSON: Well, the person I named. Are we allowed to say that name?

MS O'GORMAN: Well, was it Stacey Schinnerl? If it was Stacey Schinnerl, you're allowed to say so.

MR WATSON: Yes.

MS O'GORMAN: So you say that Ms Schinnerl told you that Mr Ravbar erupted and demanded that all CFMEU delegates immediately leave?

MR WATSON: Yes.

MS O'GORMAN: All right. Have you had reason to view the evidence that Stacey Schinnerl gave when she came to the Commission on 3 December 2025 and spoke about this incident?

MR WATSON: No.

MS O'GORMAN: All right. I'm going to tell you what her evidence was on this point, and then I'm going to ask you a question. Ms Schinnerl's evidence was - and I'm referring, counsel assisting, to transcript 448, lines 32 to 38. Mr Operator, perhaps it could be brought up.

MR WATSON: I've got that.

MS O'GORMAN: Thank you. Perhaps if about lines 32 to 38 could be enlarged, please, Mr Operator. Can you see that what Ms Schinnerl said that she was told that Mr Ravbar rose to his feet, he yelled something and then promptly took the CFMEU delegation from the conference. She couldn't see any of it happening; she was too far away. Do you see that?

MR WATSON: Yes.

MS O'GORMAN: So to the extent that what you have stated as a matter of fact in your report at paragraph -

COMMISSIONER: I don't think the witness said that. He said, "It's what I was told."

MR WATSON: I didn't state it as a fact. I repeated what I was told.

MS O'GORMAN: All right. But you don't, at paragraph 128, say "Ms Schinnerl told me", do you? You just say, as a factual account, Mr Ravbar erupted and demanded that all CFMEU delegates to the conference immediately leave.

COMMISSIONER: He's corrected that by reference - in answer to an earlier question of yours.

MS O'GORMAN: All right. So let me check this. Firstly, do you accept, Mr Watson, that reading paragraph 128, one would read the second-last sentence as a statement of fact?

MR WATSON: No.

MS O'GORMAN: Okay. You always intended - and you say that that should be read as something that Ms Schinnerl told you -

MR WATSON: You must know I wasn't there. Come on. I couldn't give evidence. I was up here in Queensland. I didn't know these people. I'd never heard of Ravbar before I came up here. I didn't know Stacey Schinnerl. I'm glad I met her; she's a very impressive person.

MS O'GORMAN: So I'm now trying to understand what you say about this sentence. I now understand you to say you didn't intend that to be a statement of fact; you intended it to be a statement of something that was told to you. Is that right?

MR WATSON: Yes, and that's pretty plain if you read it.

MS O'GORMAN: Mr Watson, I really don't need the commentary about what's plain and what's not.

MR WATSON: Yes, you do, I think. I think you do, because it has got to be fair for me as well. Are you suggesting that I was a witness to this event and that I've lied about what I saw?

MS O'GORMAN: I'm not suggesting anything of the kind, Mr Watson. I'm just trying to understand what your evidence is.

MR WATSON: Well, I think then you'll need the little bits of elaboration. But go on. What's the next question?

MS O'GORMAN: All right. I should understand, we should understand paragraph 128 and that second-last sentence to be that that's something that Ms Schinnerl told you; correct?

MR WATSON: Along with everybody else in the world who would read it.

COMMISSIONER: But shouldn't you read this report like - there's a lot of workplace investigations. It's a very big field. It's grown up over the last 20 years. Most investigators write a report that finds - expresses things like that based on what they were told. Isn't that how you'd normally approach a report like this?

MS O'GORMAN: Well, ordinarily, Commissioner, I would think that a report like this would indicate that "I was told something" by a particular person. There's no indication in paragraph 128 that he was told this by anybody in particular, let alone Ms Schinnerl.

COMMISSIONER: But how does any workplace investigator get information other than documents that they've read or information they're told, if they're independent, if they're not part of the organisation?

MS O'GORMAN: One complication is not only has Mr Watson written this report, but he was called to give evidence about these matters in these hearings for two days, including about this incident. It was not plain during the course of his giving evidence on that occasion that he was only attempting to relay something that Ms Schinnerl told him and about which he was not expressing a view whether he accepted it or not. I'm now just trying to understand what use can be made of these statements.

COMMISSIONER: Didn't he say that he was told this by Ms Schinnerl and he believed her. And we're going to see Ms Schinnerl and makes some assessment of her evidence.

MS O'GORMAN: She has given evidence now.

COMMISSIONER: And she's going to be cross-examined.

MS O'GORMAN: Yes.

COMMISSIONER: I think. I don't know. There's some communications going on about that.

MS O'GORMAN: Yes.

COMMISSIONER: I just wonder, what's the utility in asking this witness when Ms Schinnerl's going to be cross-examined about what she - or if you are given leave, and I assume you will be - about this? I don't want to stop you, but I just wonder.

MS O'GORMAN: Well, there's utility in the sense that if this report is being relied upon as truth of the contents of what's in it, then there's merit in understanding the basis for these statements to determine whether or not there's any factual basis for them.

COMMISSIONER: That would be right in relation to many parts of the report, but in relation to this particular paragraph, it appears Ms Schinnerl has given evidence. It appears this witness has said she's the only source. Maybe that's not been clear, but that's the impression I got.

MS O'GORMAN: Thank you, Commissioner.

COMMISSIONER: But I could be wrong about that. There might be other sources.

MS O'GORMAN: There is only this source for Mr Watson, as I understand it. But the broader utility in my questions is it does assist to understand how one should read his report more broadly and whether or not there's, in all cases, a proper factual basis for the matters which are set out in them.

COMMISSIONER: But why? Why is that going to be utility? It'd certainly be utility to me where the witness isn't called and we're relying upon hearsay; I think you've got a very fair point there. But where the witness is going to come forward, what's the - why do we need to interrogate Mr Watson about this paragraph?

MS O'GORMAN: I only have another couple of questions, and it's geared to the fact that it's now apparent that Ms Schinnerl has given evidence, it's now apparent that she doesn't know these things either.

COMMISSIONER: Well, she was obviously told, which is a point you'll make in cross-examining her, won't you?

MS O'GORMAN: And so the point for the present witness of course is just to understand that what's contained in paragraph 128 is hearsay upon hearsay.

COMMISSIONER: Well, I don't - maybe the witness knows that; maybe he doesn't.

MS O'GORMAN: And I was just going to ask him about that based on what Ms Schinnerl has said in the hearings. There's not very many more questions related to the paragraph, Commissioner. Mr Watson, I was asking you about the passage of Ms Schinnerl's evidence there on the screen, and you've read that, I think?

MR WATSON: Yes.

MS O'GORMAN: And you can see that, in fact, the things that Ms Schinnerl relayed to you are things about which she does not have personal knowledge, even herself; correct?

MR WATSON: Well, she does have knowledge. She was told by somebody.

MS O'GORMAN: All right. Personal knowledge. Direct knowledge. She did not hear or see -

MR WATSON: She's got personal knowledge. She was told by somebody.

MS O'GORMAN: Mr Watson, I think we're almost there. I'm just asking you to agree that it's now apparent that what Ms Schinnerl relayed to you was something she was told by someone else and that she does not have direct knowledge of herself.

MR WATSON: I think that's right.

MS O'GORMAN: Thank you. Then might we move to another part of the report. Mr Operator, could I ask that we go to page 32, please, and could you enlarge paragraphs 206 and 207. Thank you. Mr Watson, if you need more of that enlarged to remind you of what you're talking about there, just say so.

MR WATSON: I've got a copy of the report here, so I can do that.

MS O'GORMAN: Thank you. If you turn to page 32, you will be able to see the context.

MR WATSON: Yep. All right.

MS O'GORMAN: Can you see that on that page what you're talking about is a rally which occurred on 8 February 2022?

MR WATSON: Yes.

MS O'GORMAN: All right. And can you see at page 207, you say:

"Inflammatory speeches were given by both Ravbar and Ingham."

MR WATSON: Yes.

MS O'GORMAN: Can I ask you what the source of your information about your statement that Mr Ravbar gave an inflammatory speech at that march?

MR WATSON: Well, it was partly, from recollection - can I say a name? Grant Galvin.

MS O'GORMAN: Yes, you can say that one, because he's given evidence.

MR WATSON: And it was partly there were newspaper reports about it. I think there was even television footage.

MS O'GORMAN: Okay. Well, can I suggest to you that if you'd watched the television footage or read the newspaper reports, you would have seen that Mr Ravbar did not give a speech?

MR WATSON: Well, go ahead and suggest it.

MS O'GORMAN: Okay. My suggestion is that there is no evidence of the fact that Mr Ravbar gave a speech at that march as you've suggested.

MR WATSON: Are you saying there's no evidence or it didn't happen?

MS O'GORMAN: Well -

MR WATSON: Because I was told this by someone. And by the way, you referred to hearsay before. You do appreciate I'm not bound by the rules of evidence. I was told this.

COMMISSIONER: I don't need a legal lecture, Mr Watson.

MR WATSON: I've recounted it. So I don't know. You're saying there is no evidence. I'm not saying that at all. I was told that it happened.

MS O'GORMAN: Okay.

MR WATSON: Was that evidence correct? I don't know.

MS O'GORMAN: Okay. Should one read paragraph 207 and the first sentence therein to be "someone told me that inflammatory speeches were given by both Ravbar and Ingham"?

MR WATSON: Of course it should.

MS O'GORMAN: Okay.

COMMISSIONER: Do you know who that someone was?

MR WATSON: I believe it was Grant Galvin. I did speak to a couple of people about this incident, but I believe the critical person was Grant Galvin, but I could be wrong about that.

MS O'GORMAN: All right. I'm telling you that there is no evidence that Mr Ravbar gave a speech at that rally and that, in due course, Mr Ravbar will say he did not give a speech at that rally.

MR WATSON: Well, the first proposition is quite different to the second. There is evidence that he gave it, from somebody who told it to me. Is that evidence reliable? You can work that out. What Mr Ravbar says about what he did, well, that can happen in due course.

MS O'GORMAN: Okay. And what do you say is the consequence for your statement in paragraph 207 to the effect that inflammatory speeches were given by both Ravbar and Ingham if in fact it turns out Mr Ravbar didn't give a speech, let alone an inflammatory one?

MR WATSON: Very little.

MS O'GORMAN: And why do you say there's very little consequence?

MR WATSON: Well, inflammatory speeches were being given. I think that's implicit in your question. And there was violence there. Have a look through this. The key to it wasn't words said by Ravbar on that occasion. The key to it is have a look what they were saying to people and have a look at the threatening conduct. I did not read his evidence, but I understand Mr Galvin gave some really very heartbreaking evidence here. This is -

MS O'GORMAN: Mr Watson - Mr Watson -

MR WATSON: The whole episode was a very serious episode. The fact of whether Ravbar spoke at it or didn't speak to it is inconsequential.

MS O'GORMAN: What does it mean, then, for the sentence itself in paragraph 207?

MR WATSON: What does it mean for it?

MS O'GORMAN: Yes.

MR WATSON: I don't know, because I was told this. I accepted it as true. If it's not true, then that will be worked out in due course.

MS O'GORMAN: Okay.

MR WATSON: That's, I'm sorry to say, a matter for the Commissioner, not me.

MS O'GORMAN: All right. Do I understand, based on the things that you've said both about what was relayed to you about the ALP state conference and also what was relayed to you about this rally, that one shouldn't read the report as containing any endorsement by you or suggestion by you that the things you were told were true; you're simply relaying things without -

MR WATSON: No, that's not right. If I heard things which I thought were preposterous and wrong, I would not include them. If they were extreme and I thought they were of doubtful accuracy, I didn't include them. If they were really very savagely biased or something like that, I didn't include them. I did go through a sifting process and only include things which occurred to me should properly be made the subject of a report.

MS O'GORMAN: And with respect to this incident, is it your recollection that you based this statement about the inflammatory speech given by Ravbar only on what was told to you by Mr Galvin?

MR WATSON: No, I can't say there weren't other sources, but I haven't - I wasn't warned I was going to be questioned about this, and I'm not going to go through the notes again. I've got very bored with coming back up here to give this evidence. The point is it's probably Mr Galvin, and the likelihood is it was Mr Galvin alone. It could, I thought, have been something which was reported in the papers, but I could be confusing this with the half a dozen other incidents where Mr Ravbar did deliver inflammatory speeches.

MS O'GORMAN: I think that possibly on another occasion you indicated that one of your sources of knowledge might be photographs that you saw of Mr Ravbar standing next to the coffin at the time he gave the speech?

MR WATSON: I don't remember saying that. I did see photographs of this incident and I certainly saw photographs of the coffin. I remember seeing the Grim Reaper and the coffin lined up next to a speaker, but whether that was Mr Ravbar or Mr Ingham, I cannot now recall. It sounds as though you're going to tell me it wasn't Ravbar.

COMMISSIONER: I just wonder about this, Ms O'Gorman. Mr Galvin gave evidence about this event. There was - there were videos played, I think, of the march to the MBA offices and of the protesters outside the office. He gave evidence of what was said to him. I can't remember whether he said anything about Mr Ravbar making any speeches. That will be in the evidence or it won't be. But that's the best evidence that we've got at the moment. This witness says, "I was told by Grant Galvin or someone else or newspaper reports or TV footage." That's all available. It will either show that Mr Ravbar made inflammatory speeches or not. And if it doesn't, then you can make some submissions, can't you, that -

MS O'GORMAN: Thank you. Commissioner, Mr Galvin did initially give some evidence about this, and then, as I recall it, agreed he was confused about another rally about five years earlier and wasn't speaking about this one. Mr Watson, do you recall writing to Mr Ravbar's solicitor prior to finalising your report and indicating that you had a photo of Mr Ravbar standing next to the Grim Reaper wearing the MBA logo?

MR WATSON: No.

MS O'GORMAN: You don't recall that? Okay. Can I suggest that you did and perhaps show you the photos that were in your brief to see if you can identify which one of those you might have been referring to?

MR WATSON: If you're going to say that it wasn't there, I was wrong. You know, this is, by the way, not the first time today I've been told that I'm wrong. I do make mistakes. If I've made a mistake, I mean, just put it. "You were wrong about that." And I'll say, "Well, fair enough."

MS O'GORMAN: All right. Well, I will just put that one. You were wrong about that, and Mr Ravbar wasn't there and didn't give an inflammatory speech.

MR WATSON: I only recorded what I thought was correct. If I made a mistake, I apologise. I sincerely apologise.

MS O'GORMAN: I see. Then I won't need to take you to the photographs, and we can move on. We'll remain, though, for present purposes with this incident, and can I ask that paragraph 205 be brought up. 205, Mr Watson, as you'll see if you've got the hard copy in front of you, is a paragraph which still relates to this report - this rally, pardon me?

MR WATSON: Yes.

MS O'GORMAN: And can you see the sentence there, that the reason for the rally was not a real dispute; the issue had been manufactured by those organising the march?

MR WATSON: Oh, yes.

MS O'GORMAN: All right. Can I just check with you - because I'm starting to understand now that some of these things aren't your own views; that you're just relaying something - is that just something that Mr Galvin told you at the time you had the interview?

MR WATSON: No, that was a process of inference as well, because you can't just close down a superannuation fund. It's silly to think the Master Builders could have any impact upon the continuing presence of a superannuation fund. It's going to be referred to APRA. There are so many processes to follow. It was silly. So you're just coming down to, what, attack the MBA over something they couldn't possibly do.

MS O'GORMAN: All right. When you say it was just silly, I'm going to tell you the reasons that Mr Galvin explained to the Commission were the reasons behind the rally, and I'll ask whether you were aware of these things in forming the view that this wasn't a real dispute.

MR WATSON: Go on.

MS O'GORMAN: All right. On 17 January 2022, so a couple of weeks before this rally, three MBA-nominated directors resigned from BUSSQ, that no other others were appointed, and that that meant that BUSSQ was left without a quorum, because it required a quorum of four and could not operate. That, in turn, that posed a really significant problem for BUSSQ, because it was managing some $7 billion of members' money, and the money couldn't be sensibly managed with the board inquorate. Were you aware of any of those facts at the time that you wrote that what was occurring was not a real dispute?

MR WATSON: Look, I was at some stage vaguely aware of resignation of directors. But that happens with businesses, and what you do is you actually replace them. Now, you don't go dressing up as the Grim Reaper and bang on the door of somebody who wasn't one of the directors, or threaten women, etcetera. You normally do it through the rules of the organisation. I'm old-fashioned, I guess.

MS O'GORMAN: Mr Watson, I wasn't asking for your commentary on whether the rally was an appropriate response to what happened. I'm asking for present purposes about whether it was a real dispute. And perhaps one of the factors that you weren't aware of was that at that time it was a matter for MBA to appoint three directors and for the CFMEU to appoint three directors with a quorum required of four, so, in circumstances where the three MBA directors resigned simultaneously and were not reappointed, that the board was inquorate.

MR WATSON: Well, you do this through the corporate rules of BUSSQ. So it's not a genuine dispute. It's not an industrial dispute. What it is is a matter of internal organisation. That happens in companies all the time.

MS O'GORMAN: Were you aware that at around that time, there was disquiet about the fact that the board could not operate because of the resignation of those directors, given that the board was managing some $7 billion of members' money?

MR WATSON: I don't think so.

MS O'GORMAN: Okay. Further, were you aware at the time that you recorded that this wasn't a real dispute that on the day of the rally the CFMEUQ had commenced proceedings against MBQ requiring that they observe the constitution of BUSSQ and appoint directors?

MR WATSON: No, but that sounds like a pretty sensible, traditional, conventional course to take.

MS O'GORMAN: All right.

COMMISSIONER: Again, I just wonder about this line of cross-examination, Ms O'Gorman, because you've identified that this is the witness's opinion it was not a real dispute. The opinion could be right. It could be wrong. The witness has given his reasons in the footnote at paragraph - at footnote 33. You'll make submissions and say it was a legitimate dispute, it was very serious, there was - whatever submissions you wish to make and evidence you wish to lead about the issues with BUSSQ and Cbus, and you might be able to show that there was real concern amongst the membership and the officialdom about the future of BUSSQ and that whatever a real dispute means, it was a real dispute.

And then the real gravamen of the issue, insofar as your client is concerned, is the conduct that was taken to further their concerns about BUSSQ, was it appropriate, to use a very neutral word, and was it organised by Mr Ravbar? Does it really assist to ask this witness as to whether or not he maintains it was a real dispute? Say he does: so what? You might convince me that it was- that it was a real dispute.

MS O'GORMAN: Well, the question of whether it's of assistance is really a question for the Commission, and I'll take it that it's not, and I'll move on.

COMMISSIONER: You can tell me why it is, but I'm just explaining my preliminary thinking on the point; that's all. It's just if you ask him where he gets something from, and you prove it's hearsay upon hearsay upon hearsay, well, that's a legitimate point, because obviously then you'll say if there's no other evidence, this triple hearsay should be given very little weight. If it's opinion, as you just suggested, and asked him the basis for the opinion, you will say it should be given very little weight. I think you've achieved that aim, haven't you?

MS O'GORMAN: Thank you. Then I'll move on, Commissioner, to another part of the report. Mr Operator, could I ask you, please, to bring up page 13 of the report and enlarge, if you would, paragraph 87. And, Mr Watson, if you're looking at this on your hard copy, can I suggest you would go first to page 12.

MR WATSON: Yes, I've got page 12 open in front of me.

MS O'GORMAN: Thank you. This is just to orient you with the passage that I am going to take you to. It relates to the National Day of Action on 5 April 2023. Can you see that?

MR WATSON: Yes.

MS O'GORMAN: All right. Now I'm going to ask you, please, to go over the page to page 13 and have a look at paragraph 87.

MR WATSON: Yes.

MS O'GORMAN: Can you see there that what's stated in that paragraph is that several men forced a glass revolving door, smashing it to pieces?

MR WATSON: Yes.

MS O'GORMAN: Firstly, can I ask you what the source of your information about that was?

MR WATSON: Well, if you have a look at the photograph in front of you, see the smashed glass?

MS O'GORMAN: Yes.

MR WATSON: Now, that's the end product. There was television footage of this, and it showed the men around the door ripping on it, trying to get in. The premises had been locked down. So I based it upon, in this instance, something that I watched myself. And also there were things - newspaper reports as well.

MS O'GORMAN: Okay. So -

MR WATSON: I can't remember that I had a personal witness on this matter. I seem to think I didn't.

MS O'GORMAN: All right. Do you accept from me that what the television footage shows is a woman with a handbag pushing on the door and it breaking and her moving away?

MR WATSON: No.

MS O'GORMAN: You don't agree that that's what the footage shows?

MR WATSON: No.

MS O'GORMAN: Okay.

MR WATSON: But again, just show the footage. I mean, that will give you the answer.

MS O'GORMAN: Thank you. I'm sure the Commission will watch it. Can I take you to The Courier-Mail -

MR WATSON: Two of them were arrested over that.

MS O'GORMAN: I beg your pardon?

MR WATSON: There were two men will prosecuted over it.

MS O'GORMAN: Well, when you say two men, it was actually a man and a woman, according to The Courier-Mail article that I think you got your information from?

MR WATSON: Yes. I mean, I did do this a fair while ago. I'm sorry; I made yet another mistake.

MS O'GORMAN: That's all right. You do cite for that incident a Courier-Mail article dated 19 April 2023.

MR WATSON: Which is titled Two Men Face Court.

MS O'GORMAN: That's so. Have you been provided with the article?

MR WATSON: No.

MS O'GORMAN: Then I might ask if you could be.

MR WATSON: I mean, I obviously had it at some stage of my life, but I haven't had it today.

MS O'GORMAN: My friends in the counsel assisting team have a copy of it, and I'll just ask that they provide it to you.

MR WATSON: But it does seem as though "two men faced court" indicates they were men.

MS O'GORMAN: It does, and that's unfortunate, because it's an error, as the body of the article will show.

MR WATSON: Yes. There we are. I've got it up in front of me now.

MS O'GORMAN: Great. Thank you. So this is the Courier-Mail article that you sourced your information from, and as you've rightly pointed out, the heading is Two Men Face Court After Violent CFMMEU Protest; correct?

MR WATSON: Well, yeah, that's what it says.

MS O'GORMAN: Well, if we go over the page to page 2, could I ask you, Mr Operator, please, to enlarge the paragraph above the second image? Your page 2 is different to mine. There we go. That's got the passage I wanted, though. Thank you. The article in fact clarifies that it was a man and a woman who were charged with respect to the incident. Can you see that?

MR WATSON: I certainly can.

MS O'GORMAN: And do you accept that that demonstrates quite neatly one of the difficulties in relying on media reports when one is relaying information about events that have occurred, because they may well be wrong.

MR WATSON: Of course, and I've acknowledged that throughout. I generally find them very reliable, because they're careful people, they're professional people, they have fact-checkers and they're subject to defamation. But I've said that several times. But they're just like me. You know, occasionally they make mistakes.

MS O'GORMAN: And if we were to go to paragraph 89 of your report, can we see there that you've recorded in respect of that incident that apart from the inconvenience, the cost -

COMMISSIONER: Paragraph?

MS O'GORMAN: 89, Commissioner. The cost of the damage to the property was in the order of $25,000. Can you see that?

MR WATSON: Yes.

MS O'GORMAN: All right. And then, Mr Operator, I'm sorry to take you between documents but if we could go back to the Courier-Mail article and to the third paragraph from the end, would you mind bringing that up? You can see the Courier-Mail article records that police alleged the damage to the building cost $25,000 to repair. Can you see that?

MR WATSON: Yes.

MS O'GORMAN: And is that the source of your information for putting in the report that which is stated in paragraph 89?

MR WATSON: Probably. I've got a recollection of attempting to get some of the court records but not being able to get them. So it was probably this.

MS O'GORMAN: All right. And so to that extent, when it's stated in your report that the cost was in the order of $25,000, that's really - well, the accurate recording of that would be to say that police had alleged that the damage was $25,000, which is quite different, as you will understand, to establishing that to be so in court; correct?

MR WATSON: I was writing a report. This isn't a judgment. That is perfectly sound, what I wrote. I put "in the order of" to qualify it. Now, if I'm wrong, what did it cost? If this did actually cost $25,000, then I'm sorry, but these questions are going nowhere. But please, that's what I wrote. That's what The Courier-Mail wrote. You are going to disagree with it. I don't.

MS O'GORMAN: Then, Mr Operator, could I just -

COMMISSIONER: Your point, Ms O'Gorman, is the only course for paragraph 89 is the Courier-Mail article, and the only part of the Courier-Mail article that refers to $25,000 is that police told someone at The Courier-Mail that it was 25,000. Is that the point?

MS O'GORMAN: That's all I was asking to establish. That's so.

COMMISSIONER: Well, I think you've made that point.

MS O'GORMAN: Thank you.

MR WATSON: I hope I get asked in re-examination. Somebody tells me - how much did it cost? Was I wrong?

MS O'GORMAN: Mr Operator, could I ask you, please, to bring up paragraph 90 on page 14. Mr Watson, can you see there that what you have recorded are words that you attribute to Mr Ingham immediately after the door was smashed? Can you see that?

MR WATSON: Yes.

MS O'GORMAN: And can you see how you've got it -

MR WATSON: Not immediately. I think what you'll find was it was something like an hour later or something.

COMMISSIONER: Sorry, I missed that. What did you say then?

MR WATSON: I think it might have been some time - it wasn't immediately after the door smashed. There was actually - from recollection, they convened a kind of meeting across the road at which Jade Ingham spoke.

MS O'GORMAN: Well, if I was to suggest to you that the footage which is available of that incident does record him saying those words after the incident, would you accept that that's right?

MR WATSON: Sorry, it does record him saying it?

MS O'GORMAN: Yes.

MR WATSON: Oh, finally I got one right.

MS O'GORMAN: But that immediately before those words what Mr Ingham says was, "Let's leave the property alone," if you will. Do you remember seeing him say that in the footage?

MR WATSON: No, but I watched the footage, so I would have.

MS O'GORMAN: Okay. Then if you had and you knew that the full account was that Mr Ingham urged people who were touching the door to leave it alone, do you agree that it would have been more fair to include that in paragraph 90 than to leave it out?

MR WATSON: No.

MS O'GORMAN: Okay. And why do you say that?

MR WATSON: Because I was looking at what he said there about blaming the fracturing of the glass on foreigners, and I just thought, well, there's something really odd, very unpalatable about that. If you're going to tell me that I should have included something, to be fair to Mr Ingham, that he said, after they had smashed those glass doors, after they'd come in as an unruly mob, that they should leave the property alone, Mr Ingham's words are plainly too little, too late.

MS O'GORMAN: And if we were to go back to the Courier-Mail article for one last time, Mr Operator, please, and go to the second-last paragraph of it, can you see there, Mr Watson, that it's recorded that CFMMEU officials said after the protest that they would contact building management to organise a fix as a, quote, "top priority". Do you see that there?

MR WATSON: Yes, I can read.

MS O'GORMAN: All right. Is that something that you saw and decided to leave out of your account of this incident, or did you not see it at the time?

MR WATSON: I can't remember. I can't remember. Look, I would have read the article through, but I can't remember any conscious decision about including or excluding or ignoring or promoting it.

MS O'GORMAN: Okay. Well, we'll move to another part of the report. Mr Operator, if you wouldn't mind going, please, to page 17. Before we do, if I might just ask one last question, Mr Watson, about that report that we saw from The Courier-Mail. Do you agree at least in hindsight that if you had seen and taken account of everything that was in the Courier-Mail article, it would have been a more balanced account of what had occurred for you to include that CFMEU officials immediately said that they would organise a fix of the door as a top priority?

MR WATSON: I don't think it was part of my job. I was looking into violence at the CFMEU. They organised what was effectively, by the time it got to those glass doors, a riot, where they smashed the doors. That's what I was interested in. I wasn't interested in, after the event, "Oh, we're sorry about that." No, it's just not what I was doing. And by the way, when you report - quite different to writing a judgment - what you're doing is you're presenting something which is in a digestible, readable form. And if you want to write a 600-page report, go ahead. You will find that nobody will read it. These things are self-contained, brief studies, written with a deliberate purpose of being able to be read by members of the public.

MS O'GORMAN: Is it the case, then, that what you were doing was assembling information that you had been told in order to paint the picture that the CFMEU was violent?

MR WATSON: No. I'm sure I gave evidence about this. I remember it so vividly, the first day, coming to Queensland to start this investigation, having read all of the preparatory materials submitted to me and thinking, "This is a beat-up." I just looked at this and thought, "This is mainly about schoolyard bullying," a lot of the things that I'd seen. I then started interviewing people, and I had grown men, tough men, breaking down in tears telling me what had gone on.

MS O'GORMAN: Mr Watson -

MR WATSON: It grew and it grew, and the thing is that by the end I became 100 per cent convinced that there was a problem with violence in the CFMEU. I was not assembling a case against them; just the opposite. I was assembling evidence.

MS O'GORMAN: All right. Well, if you were assembling evidence, and returning only to this incident, do you agree that it would have painted a more complete picture for you to indicate that immediately after the incident, in respect of which only two people were charged, it would have been more complete for you to include that CFMEU officials effectively apologised and indicated that fixing the door would be a matter of top priority?

MR WATSON: No.

MS O'GORMAN: You don't think that an indication like that from CFMEU officials about this incident immediately afterwards is relevant to violence in the -

MR WHEELAHAN: Objection. I withdraw the objection. I thought the same question was being asked twice. (Indistinct). I withdraw that. Go on.

COMMISSIONER: Please go on.

MS O'GORMAN: I'll start again, and I hope I'm asking the same question that I was asking before. Do you say that it's not relevant to have included that information in respect of this incident?

MR WATSON: To me it wasn't relevant, sufficiently relevant or sufficiently interesting to include it, the reason being that this was going to be a quick inquiry. I started it and finished with the report in under three months. The report came to something like 40 pages. It was short enough to be picked up and read by members of the public. That's what I was conveying. Now, could I have done it another way? Of course I could. Could you have done it another way? Of course you could. But I can tell you I've got a lot of experience with this. If you do it and you say, "Well, I'm going to include any conceivable relevant fact," you're going to produce a document which is so long, so detailed and so boring that nobody will read it. This report had an impact.

MS O'GORMAN: Well, can I ask whether you accept that what you've written in the report and the manner in which you've written it is a series of incidents described in inflammatory terms in order to interest the person on the street -

MR WATSON: No.

MS O'GORMAN: - rather than to present a balanced account of events that were occurring and the CFMEU's leadership's response to those events?

MR WATSON: No.

COMMISSIONER: Isn't that a submission? Aren't you just going to at the end say, "Look, based on the videos, based on the Courier-Mail article, there are bits of the Courier-Mail article that were not included, and I make that submission about the report." And then obviously if you've got some evidence showing some contrition by the CFMEU, publicly or privately, that they did in fact pay for the damage to the property, put that forward, and put the evidence forward of the public contrition if there's any.

MS O'GORMAN: Commissioner, the point in my last couple of questions of this witness is because I will be making submissions to the effect of some of the matters that I'm putting to him, and I had considered as a matter of fairness it would warrant me making those suggestions now and not just in submissions later.

COMMISSIONER: I haven't stopped you, but I think the last question was really the submission that you ultimately want to put, wasn't it?

MS O'GORMAN: Yes. And I don't have any further question; it was the matter that I wanted to conclude with this witness with respect to that incident. Let's go to another incident, then. Mr Operator, could I ask you, please, to go to page 17 of the report and bring up paragraph 121, please. Mr Watson, if you're looking at the report in hard copy, you'll see that what I'm about to ask you about relates to the incident on 4 April 2018 when a CFMEU organiser was initially charged with an offence relating to an interaction he had with a work health safety inspector.

MR WATSON: He wasn't initially charged. He was charged, he was convicted, and that was set aside on appeal. And I record all those facts.

MS O'GORMAN: That's so. I'm just asking you whether you can see -

MR WATSON: You said he was initially charged. It went further than that. There were two hearings.

MS O'GORMAN: Correct. And on the second of those hearings the District Court judge hearing the appeal acquitted the organiser of the offence; correct?

MR WATSON: Of the crime. But the conduct was accepted, that is, he repeatedly screamed this in the face of a man.

MS O'GORMAN: Mr Watson, you're not answering the question I asked and you're not -

MR WATSON: Yes, I did.

MR WHEELAHAN: He did answer the question.

MR WATSON: It may not have been the answer you wanted, but -

COMMISSIONER: Why don't you answer it again, then - sorry, ask it again.

MS O'GORMAN: Mr Watson, you will agree that on appeal, the District Court judge hearing the appeal overturned the conviction; correct?

MR WATSON: That's correct. That's why I put it in my report.

MS O'GORMAN: All right. That occurred on 25 June 2021; correct?

MR WATSON: I don't know. I don't have that part of the report open in front of me. But you'd know the dates.

MS O'GORMAN: Okay. Well, if you could go, then, to page 17 of the report.

MR WATSON: It's on the screen, but there's a thing in front of it. I suppose I can look at it here.

COMMISSIONER: I think, Mr O'Grady, Ms O'Gorman - it could be a different incident; it might be the same one - I thought he put in "evidence", inverted commas, the transcript from the Magistrates Court and also the decision in the District Court. Mr O'Grady's nodding. So I've got those two decisions, and you can make submissions on them and put anything else you think is relevant. So what's the utility in asking this witness about those matters where we've got a judicial - a binding judicial determination that you can make some submissions about?

MS O'GORMAN: The utility is that at paragraph 121, Mr Watson describes Mr Ravbar's response to the incident, and I quote, "demonstrating just how far the leadership of the CFMEU has departed from the norms of conduct in a civil society". According to a newspaper report, Ravbar called on the WHS inspectorate to apologise to the person and the CFMEU, and I want to ask Mr Watson about that statement.

COMMISSIONER: But what does it matter if all the material upon which Mr Watson moved to make that - to form that opinion is before this Commission and you can make a submission that - whatever submission you make, if indeed this issue is raised against your client, having regard to the fact of the appeal being successful, what does it really matter about this witness forming this view about that material? Unless there's something additional he's got.

MS O'GORMAN: There is.

COMMISSIONER: Oh, is there? I'm sorry.

MS O'GORMAN: That's all right, and I just want to ask a couple of questions arising from it, but I do need to take him to the material first. Mr Operator, could I please ask that the Cairns Post article dated 29 June 2021 be brought up. Mr Watson, for present purposes I'm going to ask you to accept from me, because I know you don't have the dates right in front of you, that the appellate decision acquitting the man of the offence was dated 25 June 2021.

MR WATSON: I accept that.

MS O'GORMAN: Thank you. And in those circumstances, this article is an article about the appeal, and the acquittal, dated 29 June 2021. Can you see that?

MR WATSON: Yes, I can see that.

MS O'GORMAN: All right. And if we were to go to the very last part of it, I just want to bring up what's recorded there and then go back to what you say Mr Ravbar said and what it meant. In the last part there, if we could bring up those words that are on the screen if necessary - otherwise, they might already be large enough - we can see that the article recorded that the appellate judge decided against remitting the matter for retrial. You'll remember that?

MR WATSON: Yes.

MS O'GORMAN: And in fact entered an acquittal, right?

MR WATSON: Yes.

MS O'GORMAN: Okay. It's this next part this I'm interested in. And perhaps, if you wanted to, just read it to yourself. I won't read it to you.

MR WATSON: I have read it.

MS O'GORMAN: Okay. You can see, then, that the context for Mr Ravbar's statement was that the priority, that is, the priority for the regulators, ought to be delivering justice for the men and women and their families injured or killed in workplaces, not tying up the courts with allegations about colourful language and hurt feelings. Can you see that?

MR WATSON: Yes, I can read.

MS O'GORMAN: Do you agree that that is a fair criticism for somebody in the position of Mr Ravbar to have made about the use of court resources in those circumstances?

MR WATSON: No, and to make it clear: absolutely not.

MS O'GORMAN: All right.

MR WATSON: Why is he calling for an apology to Mr Cummins for calling a work health and safety inspector "a fucking dog, a fucking dog, a fucking dog"? I just can't understand what would go through a person's mind to demand an apology in those circumstances.

MS O'GORMAN: Well, the apology wasn't demanded from the inspector but from the inspectorate for bringing court proceedings which ultimately resulted in an acquittal in circumstances where the money, according to Mr Ravbar, could have been better spent delivering justice for workers killed or injured in workplaces. Do you see that that's the point that he's making?

MR WATSON: I said what I said. He's demanding an apology for the conduct of Mr Cummins and to the CFMEU and to all workers in Queensland. Why? Because there was a prosecution brought where those words were used in that really extreme fashion. It was screaming in his face. And you've got to remember that the person who did it - I spoke to him - he admitted that he'd done it. So there's an apology demanded for that kind of conduct. That seems to me to be perverse.

MS O'GORMAN: I'm going to ask two more questions, and if I'm moved on, I simply will move on. Firstly, do you accept from me that this is not an apology being demanded of the person who was the subject of the interaction for what occurred. It is an apology being demanded of the Workplace Health and Safety inspectorate for bringing court processes which were ultimately unsuccessful rather than deploying those resources for justice for workers killed or injured?

MR WATSON: No.

MS O'GORMAN: You don't agree. Okay. Then I will move on.

MR WATSON: No, but you will read in my report that I made that point clear that he demanded an apology from the inspectorate. They were my words that you're picking up. That part is perfectly accurate. But if you're asking me to buy into this and believe that the rest of what Ravbar was recorded as saying were his sincere thoughts, I don't buy that. I did this for three months intensively, and I saw what was going on up here.

MS O'GORMAN: And so instead - and this is my last question in respect of this incident - you say that what Mr Ravbar is quoted as saying there is in fact a demonstration of how far the leadership of the CFMEU had departed from the norms of conduct in a civil society. You stand by that statement?

MR WATSON: Of course I do.

MS O'GORMAN: All right. Can we turn, then, please, to page 34 of the report. And, Mr Operator, might I ask that you enlarge perhaps all the paragraphs under the heading A Convicted Woman-Basher. Just the paragraphs, not the photographs, if that helps. That does assist. Can you see, Mr Watson, that in respect of this incident you say that the use of those placards was part of an organised campaign? You say the CFMEU made up crude, hand-painted placards?

MR WATSON: Yes.

MS O'GORMAN: Can I ask what your source of information was about the two aspects of that statement: firstly, that it was an organised campaign, and secondly, that it was the CFMEU who made up the placards?

MR WATSON: I was told by an informant. And I could also look at the placards, see where they were placed. I also had other photographs here. I had other material which was supportive of that. It was in my hands. Then my informant told me that their job was at risk if I published that material. So I had a considerable amount of material. At one stage, I did know the identity of one of the people who was moving the placards, because one of the photographs showed him, but it was also suggested to me that if that came out, it could lead to recriminations which would be dangerous.

MS O'GORMAN: I see. So is it the case that what was in fact relayed to you by your informant was that these placards had been put up about the place? I think you described them on a couple of streets in Brisbane.

MR WATSON: Two of the most important streets, as I understand Brisbane: Vulture Street and Roma Street.

MS O'GORMAN: Okay. And your informant told you that they had seen these placards at those locations; correct?

MR WATSON: But I also had photographs of them there, which are in the report.

MS O'GORMAN: I understand. I'm just trying to understand the two sources of your information. It was firstly the informant who told you those things?

MR WATSON: Yes.

MS O'GORMAN: All right. And secondly the photographs that you had recourse to yourself?

MR WATSON: Yes.

MS O'GORMAN: All right.

COMMISSIONER: I thought the witness said a third thing, that he also looked at the placards where they were placed. Is that different to the photos, is it?

MS O'GORMAN: I think it was only in the photographs.

COMMISSIONER: Oh, in the photographs.

MS O'GORMAN: I don't think Mr Watson actually saw them on Vulture Street.

MR WATSON: I never saw them.

COMMISSIONER: I see. Thank you.

MS O'GORMAN: And, to be complete about this, as I understood your evidence, it was that one of the photographs, although not reproduced in your report, showed a particular person touching or moving one of the placards?

MR WATSON: Carrying it. Going to put it in place.

MS O'GORMAN: Carrying it. Thank you. So I'm interested to understand why it is you say at paragraph 218, then, based on the information which was conveyed to you, that this was a campaign organised by the CFMEU.

MR WATSON: This is very awkward for me to say this, because when I give you the information, it will identify my informant, but I try and deal with it in the most general way. It was because the CFMEU had been conducting a campaign against the person for a couple of months. They were desperate to have this person removed from an important position with one of the contractors.

MS O'GORMAN: All right. And so did you understand your informant to be telling you that this was something organised by the CFMEU, as in at a leadership level, rather than some poor behaviour by some members?

MR WATSON: Look, I see in the report I've said it. You can see what the person's position was in paragraph 216. Now, going back to your question, the point about this is that - I don't know at what level it was organised. All I know is that I was told by numerous IR people who worked on these sites that they were being driven off, because their contractors were appointing IR advisers. If the CFMEU wanted them off, they attacked them personally. And some of them told me that they changed jobs. I could no longer go to these sites.

Now, this was one man who also came along and said, "This is what they did to me." So was it organised high up? I reckon it probably was, but I didn't say that, because that would have been speculation. But if you ask me, that's where I think it was organised. If it wasn't, it was certainly at the level of an organiser.

MS O'GORMAN: Okay. And I'm just wanting to be clear that I understand what your source of information is about how high up this went.

MR WATSON: I've told you all I know.

MS O'GORMAN: All right. So you say it would be mere speculation on your part to say it was organised by the leadership?

MR WATSON: Yes.

MS O'GORMAN: Do I understand that right?

MR WATSON: Yes. I would suspect it was, but it was organised at least at the level of an organiser, capital O.

MS O'GORMAN: I see. And if you could just explain for me, please, before I move on from this, what the evidence is to satisfy you that this was organised by an organiser.

MR WATSON: Well, you've got to remember that these sorts of campaigns - this is only one of several - were conducted against IR advisers all over the city when they were trying to get rid of them. And they were naming names to me. They were telling me who it was who were doing these things. There was physical attacks on the men. They were bumping into them, brushing against them. As I said, one guy, he actually moved away to get away from all of this, and several of them told me that they got jobs because they weren't going to go on these sites any more. Now, by this stage I was already familiar with these kinds of bully-boy tactics being used to drive people off the sites in Victoria, so I guess I was drawing on that experience and knowledge as well.

MS O'GORMAN: Did you have any direct information from your informant that this incident was organised by someone at the level of organiser?

MR WATSON: Probably, but I can't remember now.

MS O'GORMAN: All right.

MR WATSON: He would have named names, I'm almost sure. But see, that's the problem: you name names and you're immediately putting somebody in a position where they could be damaged. Hurt.

MS O'GORMAN: All right.

MR WHEELAHAN: Commissioner, do you want a five-minute break now? A new topic is to be developed.

COMMISSIONER: It's really for the witness. I understand the witness has got a sore back, and I just wonder whether the witness wants a break for five minutes.

MR WATSON: I'm all right. I can go on. I do have a sore back. I'm glad that my whingeing about it has spread more widely.

MR WHEELAHAN: My learned friend said a five-minute break will enable her to see if she can shorten things.

COMMISSIONER: Very well.

MR WHEELAHAN: Thank you.

COMMISSIONER: Do you want eight minutes?

MS O'GORMAN: (Indistinct).

COMMISSIONER: We'll adjourn till 10 to 3.

<THE HEARING ADJOURNED AT 2.42 PM

<THE HEARING RESUMED AT 2.50 PM

COMMISSIONER: Ms O'Gorman.

MS O'GORMAN: Commissioner, in light of the evidence that's been given a couple of times at least this afternoon by the witness -

COMMISSIONER: In light of what, sorry?

MS O'GORMAN: The evidence that's been given this afternoon about some of the matters that are recorded in the report, simply being the relaying of things that were told to the witness and in light of some of our discussions about the fact that there has already been and may well be the calling of evidence from those persons directly, I don't propose to continue to take Mr Watson through the discrepancies between those accounts and rather am content to make submissions about them in due course.

COMMISSIONER: Which accounts, sorry?

MS O'GORMAN: That is, on the one hand, the account which appears in Mr Watson's report, and on the other hand, the account of witnesses who speak to those matters to this Commission directly.

COMMISSIONER: For your submissions that your client might ultimately make, though, it might be useful to find out where this witness has a source - sorry, where this witness expresses some conclusion, what the source of that conclusion is, which you've done in a number of instances, because obviously that might be of some assistance to you if those - if your ultimate submission is that those sources are weak, for example - a newspaper report, for example.

MS O'GORMAN: And if the Commissioner is asking me specifically about the ultimate conclusions about there having been a campaign and about it being directed by my client, I will be asking him about those things.

COMMISSIONER: Very well. I don't want to prevent you from asking whatever questions you want about the Violence in the Queensland CFMEU report. It's simply that once you have identified the sources for those findings from the witness, then one of two routes are open. One, those sources are called or the material which constitutes the sources put before this Commission - for example, the Rolly Cummins material. We've got the Magistrates Court decision. This is all done in Cairns. We've got the District Court judge's decision granting the appeal and ordering an acquittal. We've got the Cairns Post or Courier-Mail article.

That was everything this witness had, as I understood his evidence, in which case this Commission is going to be assisted by submissions from counsel assisting and your submissions about what to make of that material. And this witness's opinion of that, though informative, in the sense it's directed of this Commission to look at this issue and because of his expertise will carry some weight is not going to carry the weight that your submissions and counsel assisting's submissions have, based on the material themselves and what you make of it. So that's one example.

Another example is where those sources do not end up before the Commission, and I can see this report being something like a Swiss cheese. There's going to be holes where everything this witness had is before the Commission. So to that extent, we don't need to - apart from noting that this witness directed us to this issue - have terribly much regard to what this witness's opinion was. But there's going to be other bits where the sources are not before this Commission, and I don't want to prevent you from interrogating this witness in relation to those issues to identify the strength or weakness of those sources. And you've done that already, at least in the last set of questions.

MS O'GORMAN: With respect to some of the incidents, yes, that's so. One difficulty I have, especially bearing very much in mind, as I am, the time constraints and the fact that we must finish at 4, as I understand it, this afternoon -

COMMISSIONER: I think the witness said he'd be prepared to come back, and if he comes to Queensland on holiday, we can issue him with a summons.

MS O'GORMAN: He's studiously not hearing that, Commissioner.

MR WATSON: I will come back. If I've got to come back, I will come back, Commissioner.

COMMISSIONER: I don't want it to be thought that I'm preventing you from exploring those bits of the report to interrogate the basis of the underlying material, not for the purpose of, in effect - well, perhaps ultimately for the purpose of criticising this witness, but for the purpose of you being able to make submissions and perhaps lead evidence about those matters. I mean, for example, just to give a really simple one, the Grant Galvin incident: there's TV reports, there's newspaper footage, there's Grant Galvin's testimony, and there's someone else that the witness says he spoke to. It's going to be terribly difficult for counsel assisting to base the conclusions that Mr Watson made on someone else in circumstances where that person's not identified, very few details have been given, and you haven't had the opportunity to deal with that person.

Then you've got the TV footage, which is either going to be put in or not, the newspaper reports and Mr Galvin's evidence. If all that evidence doesn't show that Mr Ravbar made a speech, let alone an inflammatory speech, and Mr Ravbar came forward to say he didn't make a speech that day, well, in the absence of any other evidence, you're on a pretty good footing to say no speech was made. But each of the incidents need to be dealt with separately, because the nature of the sources are different and the circumstances governing the reception of the evidence of the underlying sources into this Commission of Inquiry may be different.

MS O'GORMAN: And appreciating all they do, Commissioner, what I'm attempting to convey is that there's simply not enough time left in the day to step through each of the incidents and to find out from Mr Watson what the source is, because it's not in all cases apparent on its face, let alone then for me to be able to interrogate him further.

COMMISSIONER: Well, if you need time to do that, you should be given that opportunity, because some of the parts of Mr Watson's report will remain, in the sense that that's the only evidence this Commission will have. We'll have to make something of it. I don't know which bits will be, but, for example, the evidence based on Ms Schinnerl, that's going to end up as a hole in the report, because we're going to have Ms Schinnerl in the witness box, she's going to be cross-examined and submissions can be made, and the witness has said that was the only source for that particular incident. You'll cross-examine Ms Schinnerl. So I don't want to prevent you from exploring the sources of Mr Watson's report in order that you make some assessment as to whether you need to do anything else with it. And if you need more time for that, you can have more time. Mr Watson says he's prepared to come back.

MS O'GORMAN: I'm trying very hard to see whether it's possible for me to ask some questions now about bigger conclusions reached in the report such that we could then go away to work out, if we can, whether it's even necessary for Mr Watson to come back or whether there is independent evidence which either corroborates or discounts his recording of those other events. And perhaps that's the most efficient way forward.

COMMISSIONER: And as I said before, some of the conclusions that Mr Watson makes might simply be part of a bigger picture. For example, the Cross River Rail evidence that was - sorry, the evidence of the postering or the - what would you call it, placarding, or campaign, to use Mr Watson's word, against the person at the - I don't know which Cross River Rail station, which one it was, given the placards were found in two separate locations. That may well end up being subsumed by the whole Cross River Rail case study where there is lots and lots of evidence of this type of behaviour so that the significance of this particular issue in the scheme of dozens of like issues is of less relevance and simply forms part of, as you say, a direction at the start as to somewhere to look. So that's the decision that you have to make, having regard to all the evidence, and if you need time to do that, well, you need time.

MS O'GORMAN: If I proceed this afternoon, then, with respect to, if I can put it, the larger conclusions drawn by Mr Watson, I think that will be the most efficient way forward, and it may well be then that on a review of the incidents themselves, we won't require Mr Watson.

COMMISSIONER: Very well.

MS O'GORMAN: Thank you. Mr Watson, I want to turn now to the question of gendered violence, as you've described in your report. And I'll start by taking you to page 11 of the report.

MR WATSON: Yes.

MS O'GORMAN: And, Mr Operator, paragraph 77, but so that it makes sense, maybe 76 as well. So this is the part of the report where, at paragraph 76, we're returning to your recounting that a minister had a security upgrade because of abuse by the CFMEU. You see that?

MR WATSON: Yes.

MS O'GORMAN: And then you move on at paragraph 77 to say the abuse, that is, the abuse perpetrated by the CFMEU, was sexist. Do you see that?

MR WATSON: Yes.

MS O'GORMAN: When you recount what follows in the balance of that paragraph, which is a story that was relayed to you by the minister that there were signs attached to the women's toilets that said, "Flush Labor down the toilet," with tampons using the words, is that an example of what you say is sexist abuse?

MR WATSON: Yes.

MS O'GORMAN: Do you agree that another reasonably open view of posters like that in women's toilets is it's simply female-centric as opposed to sexist?

MR WATSON: No.

MS O'GORMAN: All right. I might be able to short-circuit this by just checking with you that you haven't at all, let alone routinely, gone into public women's toilets to see the sorts of posters that get put on the doors? Do I assume that that's correct?

MR WATSON: I wonder whether I will be arrested, but I did have Commission permission this morning in circumstances where we checked first, but I used the ladies' toilets in this very building. But there was nothing on the walls. Please don't put that in the paper. But the point is no, no, no, I don't have a great deal of experience with ladies' toilets -

MS O'GORMAN: All right. Then I will -

MR WATSON: - I'm pleased to say.

MS O'GORMAN: I will leave that alone, but other than that incident, that is, you being told about some words being created out of images of tampons on women's toilets, is there anything else that you rely upon as evidence of the fact that the CFMEU perpetrated sexist abuse as opposed to abuse generally?

MR WATSON: Oh, very much so. There was a really - I mean, this is just - I'm ashamed of what I did. There was one wonderful woman who told me her story about being stood over by Royce Kupsch and Ravbar, and she told it to me, and she was so distressed. Anyway, I rang her back to try and double-check some of the facts and she told me that me coming to question her had triggered such bad memories that she'd had to get professional assistance. I felt really bad about that, because you don't - when you're doing my job, you don't know the impact you're sometimes having on other people.

There were lots of examples like that, and they're sprinkled throughout the thing. There were also instances where I think later in the report I dealt with the particular problems with women, and I'm sure you'll have noticed this. It's titled Hostility Toward Women. What it was is it was just repeatedly a thing where women were singled out. They'd go after them. I'm convinced that one of the reasons that Stacey Schinnerl became a tactic was because she was Stacey Schinnerl, a woman.

MS O'GORMAN: And you've previously described there being an irresistible link between Mr Ravbar's actions in apparently standing up and walking out of that ALP state conference and the fact that Stacey was a woman. Can I ask you what the evidential basis is for concluding that, if he did what he did, it was because she was a woman?

MR WATSON: Well, I've got to say, I didn't put it in the report, because it was getting out at the speculation edge. But here in the Commission, when I get asked a question, I try to answer it fully and properly. But if I didn't previously, I'll qualify it now by saying in that particular instance, that was just me gathering a feeling together after looking into this for three months.

MS O'GORMAN: Because it's the case, isn't it - well, perhaps I shouldn't assume you know this. Do you know that walk-outs, so described, are common in these sorts of conferences?

MR WATSON: Yes, I did know that they occur from time to time.

MS O'GORMAN: Okay. And did you know that, for example, when Ms Schinnerl gave evidence in this Commission, she said, "I myself have walked out of a State Labor conference only very recently."

MR WATSON: I didn't know that she had done that, but it doesn't surprise me. That is a traditional response. But what it was was a response here to a woman speaking. I didn't put it in the report because I thought it was too speculative. But you've asked me, and I had a feeling that there may have been some anxiety about Ravbar with women generally. I was adding to it the other incidents to which I referred.

MS O'GORMAN: Okay. And so, if I can just summarise that, I understand your evidence to be, in terms of an evidential basis for there being a targeting of women, you don't have one; it's a feeling you developed over time?

MR WATSON: No, no, no, no. You asked me about Stacey Schinnerl. I qualified that one.

MS O'GORMAN: I see.

MR WATSON: The rest of it, it's plain as day. Read the section titled Hostility Toward Women. Read the whole report, and what you're going to see is repeat events where women were attacked, women were stood over, women were abused. And putting that sign up with Flush Labor Down the Toilet, I don't care what anybody says. That's obviously sexist. It was repeated. It was relentless. They never gave up.

MS O'GORMAN: All right. And when you say it was repeated and relentless, it's the case, isn't it, that the incidents that you describe in your report involving women pale into comparison that the incidents that you describe involving men?

MR WATSON: No. I think they're really, really, really serious.

MS O'GORMAN: I'm not talking about the seriousness. I'm talking about the number.

MR WATSON: Oh, number. Oh, well, that does reflect a pretty obvious fact: hardly any women.

MS O'GORMAN: Yes. Okay. And so what you're talking about is the incidents that you describe in your report as being under the heading Hostility Toward Women -

MR WATSON: Yes.

MS O'GORMAN: - that's your evidential basis for your conclusion at paragraph 248 that the CFMEU had a focus on attacking women; is that right?

MR WATSON: Look, yes. There were, as you've pointed out, a couple of other instances along the way which involved women. But in organising it, I wasn't going to repeat myself. I'm assuming that everybody who's reading paragraph 248 is about to read what follows but has already read what precedes it, and that, once you put it together, has got a particular focus on attacking women. I think I said this on more than one occasion. Some of the instances in relation to women were so terrible I didn't repeat them.

MS O'GORMAN: All right. And all I'm attempting to understand is whether the basis for your conclusion that the CFMEU had a focus on attacking women is that which is contained at paragraphs 246 to 248 - pardon me, 246 to 274, which is the end of that paragraph?

MR WATSON: No. I just said, there's stuff in the report earlier on which I didn't bother - I'd organised this report in a way so that, again, you could see some principal issues, but you pointed out one to me earlier on.

COMMISSIONER: Where are we in the report, sorry? What paragraph?

MS O'GORMAN: Commissioner, the section commences on page 38.

COMMISSIONER: Thank you.

MR WATSON: There was all the treatment - I mean, it may be apparent that, for example, one of the ministers to whom I spoke was a woman. There were instances here and there. I mean, you showed one to me earlier. I've forgotten where it was now. But no, there was lots of stuff about women. I'm sure they showed while I was here the material about the AWU organiser who was filming one of the incidents. There's lots of it. It's not all under the heading Hostility for Women.

MS O'GORMAN: Okay. So it's what's under the heading Hostility Toward Women and then anything else in your report where there's reference to a woman being involved?

MR WATSON: Yes, that's probably a fair way of putting it. And also, to me, not unimportantly, are those stories which I could not tell. There were two where I spoke to the women because I - they wanted their story told, and I refused to do it because telling the story would have put them at physical risk, and I wasn't going to have that on my conscience.

MS O'GORMAN: Can we go, please, Mr Operator, to page 2 of the report. And if we could bring up, please, paragraphs 5 through to 7. Mr Watson, we're familiar, obviously, with the contents of your report and the incidents that you describe therein. Would you agree with me that in your report, you relay some two dozen or so incidents of poor behaviour between about the years of 2018 and 2024?

MR WATSON: That's probably right. That sounds right.

MS O'GORMAN: Okay. Okay. And is that the body of evidence that you rely upon for your conclusion that there was ultimately a campaign of violence?

MR WATSON: Yes.

MS O'GORMAN: Okay.

MR WATSON: I mean, obviously I've told you there were some additional stories which I did not recount. When I was organising it, I thought, "If I'm going to make this readable, I'm going to get four really good areas." You know, hostility toward women was one of them, for example. I had an original list, and it was something like eight or something like that, but I realised some of them just got in the way, that the story was sufficiently told by what I produced. I also - and I think I've said this - and, Commissioner, I'm sorry if I'm getting repetitive, but I was doing it for a fair while when all of a sudden I just said, "That's it. There's enough. The purpose of this report is to see whether there's a problem. I'm convinced there is, and I'll write the report." So it was called off. I could have kept going. I could still be doing it today if I wanted to look down every rabbit hole.

MS O'GORMAN: I want to draw your attention to paragraph 7. Can you see your statement in the first part of that paragraph is that the campaign of violence was very likely planned and directed by the CFMEU leadership, principally by the secretary Michael Ravbar and assistant secretary Jade Ingham?

MR WATSON: Yes.

MS O'GORMAN: Can I suggest to you that there is nothing in your report, at least by way of any direct evidence, of Mr Ravbar planning or directing the incidents of violence that you describe in the report?

COMMISSIONER: Did you say any direct evidence, did you?

MS O'GORMAN: Yes.

MR WATSON: I - I'm not sure. You said is there any direct evidence of him doing it? He was speaking at meetings in violent terms, sending violent messages, and also it's ultimately where you take this. If this was going on, if it was continuing, and if it was not being stopped by the two most powerful men in the union, who are you going to blame? And what's more, when you look at how powerful and how influential they were over everybody - they controlled who was employed as an organiser; they had control over the people who would be selected as delegates - when you have a look at the kind of micromanagement control they had over the way in which the union operated, the inference is irresistible.

MS O'GORMAN: Can I ask whether you agree that there is a difference between a failure of a leader to improve culture and a leader actually planning and directing violent incidents?

MR WATSON: Of course there is.

MS O'GORMAN: All right. And so can you point us to, please, the evidence that Mr Ravbar directed and planned any of the incidents that you describe in your report?

MR WATSON: Yes.

MS O'GORMAN: Please.

MR WATSON: You want me to start listing them? If you go through the report, you'll see incidents where Ravbar was speaking to the crowd.

MS O'GORMAN: You mean one of those - like the 2022 rally?

MR WATSON: There are several. And I put in there the kind of violent language that he would use and the political statements which he was making, which were abusive. Now, it all depends what you take from that. If he is actually talking blood-and-thunder sort of speeches and the rank-and-file membership is standing there listening to him, what do they take from it? They take from it that the union is either encouraging or at least condoning that that occur. So when it flows, it follows. That's where it's coming from, the very top. So put those together. If we did it now, I'd never get my plane. The point is that if you have a look at it and you think of his position of power, of course it's coming from Michael Ravbar.

Now, is he silly enough to go out there and say, "Look, I want to put a memorandum of understanding out where I will direct you to be violent?" Of course he doesn't do that, and of course you cover these things up. That's the nature of the way that these organisations work: head people keep their hands clean.

MS O'GORMAN: I'm just going to pick one of the incidents at random, just to use as an illustration so that I can understand your evidence. Mr Operator, if you were to go to page 19, paragraph 131.

MR WATSON: Yes.

MS O'GORMAN: So here's a section which deals with an incident that occurred on 23 March 2023.

MR WATSON: Yes.

MS O'GORMAN: What evidence did you have, if any, that Mr Ravbar directed or planned those incidents occur?

MR WATSON: Well, it was the fact that there were CFMEU people present. It was actually led by a group of younger members, and I've just forgotten what they were called, but they all arrive en masse, and they attack en masse. What do you think that's coming from? Do you think that they're just getting together on the weekends at the soccer club and saying, "Why don't we become violent unionists?" No, it's coming from the top. Are you saying did I have a document, a photograph, a statement from a witness to say that Ravbar directed that they go there? No. But that's not the way it works. Ravbar had ultimate control, and it was being executed by his underlings. The underlings are organisers and delegates and - I've just forgotten their name - the Youth Crew.

Now, there's another thing, if you have a look at it: these sorts of organisations were centrally organised from within. There is a little bit of evidence - it was really hard to get to the bottom of it - about how the Youth Crew were organised by people who themselves were organisers. Well, who selects the organisers and who's got the power over the organisers? And of course there's a big difference between actually directing violence and allowing it to occur, but you've got to remember this, that the practicalities here are that it was occurring and going on and not relenting, all while this gentleman Ravbar, who was giving the blood-and-thunder speeches, was presiding over control of the union. It's just an inference to be drawn by, I would have thought, just massive weight of combined circumstances.

MS O'GORMAN: So is the inference that you draw that, for example, in respect of the incident on 23 March 2023, that that was actually directed by Mr Ravbar and his involvement was somehow covered up?

MR WATSON: No.

MS O'GORMAN: Okay.

MR WATSON: What I would say is this: it would never have occurred except that Ravbar had organised and allowed for things to occur in the hands of violent organisers, the Youth Crew, etcetera, etcetera. Now, just think about it now and what they were doing on that site that day. If you have a look at it, that would not have occurred if the executive of the CFMEU were not behind it. It just wouldn't happen.

MS O'GORMAN: And that's an inference that you've drawn from all of the things that you did hear, that the executive must have known that that incident was going to occur, or that it did occur?

MR WATSON: Oh, look, that particular incident? For all I know, Ravbar was away on holidays. What I'm saying is that sort of thing does not occur unless it's got approval from the top. Because it had a combination of Youth Crew, organisers there, and they were executing a program. You see what it is: they were trying to prevent a brother union, the AWU, coming in and looking after their members.

MS O'GORMAN: I don't want to keep us here longer than we need to, Mr Watson. I am just making these questions to make sure that I understand what your evidence is. When you say that there must have been approval coming from the top, do you say that what must have happened is that Mr Ravbar and others allowed a poor culture to develop that meant that people could do this sort of thing?

MR WATSON: Oh, no.

MS O'GORMAN: Or do you say that Mr Ravbar was actually approving this sort of thing in advance of the incident occurring?

MR WATSON: Oh, it's very likely to be - well, certain to be the latter. And as I say, I can't say this incident, for example, for all I know, it was overseas. But it would not have occurred except this thing had been occurring and been repeated and happening and nobody was being disciplined. And just bear this in mind, because you asked me about this earlier: when they were doing it, they're breaking the law and potentially going to be fined. But in the background, who do you think was seeking the advices that you showed me this morning that it was a possibility that the Queensland branch could actually pay for the personal fines of those people? Put it all together. It's irresistible. Who else was responsible for it? Do you think these fellows just happened to meet the Youth Crew who happened to arrive there? No. And why were they doing this thing which is -

COMMISSIONER: I don't think you're the questioner. You've answered the questions.

MR WATSON: Yes, sorry. I wasn't meaning - they were rhetorical questions, Commissioner, but I'll go quiet.

MS O'GORMAN: All right. I think you've made your position clear. It is, as I understand it, that you infer that each of these incidents occurred with approval from the top, being that Mr Ravbar knew about it and sanctioned it before it happened, unless for any one or small number of the incidents he was not involved. Otherwise, he must have approved these incidents beforehand and sanctioned them?

MR WATSON: Yes, but it's not only inference. I mean, some of them you have seen where he was speaking and speaking in kind of violent terms. So they were incitements to the people. So there was some - there's evidence of him doing it directly, but you're right: in the general, it's an inference drawn from the whole of the circumstances.

MS O'GORMAN: And do you agree that another inference also compellingly open is that these things might have been occurring without Mr Ravbar's knowledge, let alone sanctioning in advance, and that what actually happened was discrete acts of violence, not acts of violence planned and directed by Mr Ravbar?

MR WATSON: No. That is so remote as to be fanciful. That's just crazy. Because it would mean, for example, Mr Ravbar never turned on the telly, never put on the radio, never opened a newspaper, because otherwise, wouldn't he have come in one day and said, "Gee, I wonder why it's happening to this union that the men are out inflicting violence on people all the time?" And also, just think about it: it's completely consistent with his known conduct, including berating a woman in an office at the CFMEU. So no, there is no alternative to it. Doesn't make sense.

MS O'GORMAN: I see. Are there any incidents in the report, any discrete acts of violence or thuggery, that you've described where you don't mention Mr Ravbar where you were told that he was actually involved in them?

MR WATSON: Look, I've got to say, I don't think so.

MS O'GORMAN: Okay.

MR WATSON: I don't think so.

MS O'GORMAN: All right.

MR WATSON: If I got information that Ravbar was involved, I included it in the paperwork.

MS O'GORMAN: Thank you. Commissioner, I just need a moment. Mr Watson, I think I might be another five minutes or so, and then I'll be concluded.

MR WATSON: That's fine.

MS O'GORMAN: I want to ask you now about some things that, having conducted your investigation, you're satisfied that there was no evidence of, and we can be quick if you agree with the things that I'm going to put to you; otherwise, I'll have to take you to various parts of the notes, but we might be able to do it in a shorthand way. Do you agree that the course of your investigation led you to conclude that there was no evidence of bikie links between the CFMEU, let alone the leadership and Mr Ravbar?

MR WATSON: I can't remember anything like that. I did see the influence of bikies coming onto the sites, particularly at Centenary Bridge. But as I've said before, because it was AWU and I was given terms of reference here, I didn't go looking for it. I knew that there was a connection between the CFMEU - not Ravbar in particular, but the CFMEU and a person named Nick Maric and LTE, and I knew that they brought Comanchero bikies up here, but I can't bring that home to the CFMEU or to Ravbar personally.

MS O'GORMAN: Thank you. Similarly with financial corruption, you didn't receive or uncover any evidence of financial corruption on Mr Ravbar's part?

MR WATSON: That was one of the things which I was excluded from looking at.

MS O'GORMAN: I see. And what about links to organised crime? Not only did you not find any evidence of that, but there's evidence in your brief that people expressly disavowed any of those links; correct?

MR WATSON: I - if you wanted to ask me the general question about Ravbar, I saw no connection between him and organised crime. I really truly believe that he was actually trying to do something with a trade union to emulate what was happening in Victoria in driving the AWU off the sites, and it was an industrial matter. I didn't see any connection between him and organised crime.

MS O'GORMAN: Thank you. Commissioner, those are all of the questions that I have for Mr Watson. Thank you.

COMMISSIONER: And, again, I don't want to shut you out of any further questions you feel you need time to consider which go to interrogating the basis of Mr Watson's report. So if you think you need time to do that, then speak to Mr Wheelahan and we can arrange another time to do that.

MS O'GORMAN: Thank you, Commissioner.

COMMISSIONER: Is there any re-examination of Mr Watson?

MR WHEELAHAN: No, Commissioner.

COMMISSIONER: I thought he proffered a question in re-examination himself, didn't he, before the break?

MR WATSON: I was just -

MR WHEELAHAN: Well, I can always ask. Is there anything else that you think that you did not finish that you can answer in less than a few minutes?

MR WATSON: You know me. Of course I can't.

MR WHEELAHAN: I think the witness fairly had explained and gave full answers to the questions he was asked.

MR WATSON: Too full.

COMMISSIONER: Very well.

MR WHEELAHAN: Can the witness be excused for today?

COMMISSIONER: Yes. Thank you, Mr Watson. Appreciate you coming up here voluntarily and giving evidence, and you're excused -

MR WATSON: Thank you.

COMMISSIONER: - subject to whatever occurs, having regard to the interactions that you've heard between Ms O'Gorman and the Commission.

MR WATSON: Thank you very much.

COMMISSIONER: Thank you, Mr Watson.

<THE WITNESS WAS RELEASED

MR WHEELAHAN: Commissioner, I wish to tender four documents. My learned friend - I've discussed this with Ms O'Gorman about the legal advices.

COMMISSIONER: Yes.

MR WHEELAHAN: There's a folder that should be in front of you titled Documents Received by the Commission from Ms O'Gorman KC. Once you have the index to that, I'll -

COMMISSIONER: Yes, I've got that.

MR WHEELAHAN: I'm just finding out what exhibit number we are up to.

COMMISSIONER: This is Ms O'Gorman's tender bundle.

MR WHEELAHAN: Yes.

COMMISSIONER: Is that something you want tendered, the whole bundle, Ms O'Gorman?

MS O'GORMAN: It's not actually my bundle. I haven't seen that index or anything.

COMMISSIONER: It's entitled - this is a collection of documents received from you that may be put to Mr Watson.

MR WHEELAHAN: So exhibit 22, Commissioner, could that be marked for the first advice there given.

COMMISSIONER: Well, where are we in terms of identifying the author of the advice? For my part, I see no difficulty - subject to the questions of privilege, what's the problem with identifying who gave the advice?

MR WHEELAHAN: I was going to.

COMMISSIONER: I'm sorry. That's all been resolved?

MR WHEELAHAN: Yes. I was just identifying it. So the first one commences at page 3, a memorandum of advice, Paul Freeburn, F-r-e-e-b-u-r-n, QC, his junior counsel, Hamish Clift, and that advice is dated 28 April 2021.

COMMISSIONER: Is there any objection to the tender? Memorandum of advice, personal payment orders prepared by Paul Freeburn and Hamish Clift of counsel, 28 April 2021.

<EXHIBIT GW-22 MEMORANDUM OF ADVICE, PERSONAL PAYMENT ORDERS PREPARED BY PAUL FREEBURN AND HAMISH CLIFT OF COUNSEL, 28/4/2021

MR WHEELAHAN: The next one, to be marked GW-23, is a memorandum of advice regarding personal payment orders commencing at page 10 of that bundle, John Agius SC, dated 20 September 2021.

COMMISSIONER: There's no objection to this? Memorandum of advice regarding personal payment orders, 20 September 2021 by John Agius SC of counsel.

<EXHIBIT GW-23 MEMORANDUM OF ADVICE REGARDING PERSONAL PAYMENT ORDERS, 20/9/2021, BY JOHN AGIUS SC OF COUNSEL

MR WHEELAHAN: The next document, to become exhibit GW-24, is the memorandum of advice in the matter of personal payment orders for the Queensland/NT divisional branch in the CFMEUQ, and that commences at page 14 of the bundle, by Alexander Solomon-Bridge, dated 1 September 2025.

COMMISSIONER: Memorandum of advice in the matter of personal payment orders Queensland/Northern Territory divisional branch of the CFMEUQ, 1 September 2025, by Alexander Solomon-Bridge of counsel, with two-page annexure, will be GW-24.

<EXHIBIT GW-24 MEMORANDUM OF ADVICE IN THE MATTER OF PERSONAL PAYMENT ORDERS QUEENSLAND/NORTHERN TERRITORY DIVISIONAL BRANCH OF THE CFMEUQ, 1/9/2025, BY ALEXANDER SOLOMON-BRIDGE OF COUNSEL, WITH TWO-PAGE ANNEXURE

MR WHEELAHAN: And remaining in this folder, Ms O'Gorman has also requested - and I have no objection, and it's a matter for the other parties - commencing at page 23 is the published article of the Cairns Post Union Official Rolly Cummins Learns Appeal Outcome After F...Ing Dog Incident at Cairns Job Site, and that's in your bundle at pages 23 to 25.

COMMISSIONER: No objections? Cairns Post article by Matthew Newton, 29 June 2021, titled Union Official Rolly Cummins Learns Appeal Outcome After F...Ing Dog Incident at Cairns Job Site, will be exhibit GW-25.

<EXHIBIT GW-25 CAIRNS POST ARTICLE BY MATTHEW NEWTON, 29/6/2021, TITLED UNION OFFICIAL ROLLY CUMMINS LEARNS APPEAL OUTCOME AFTER F...ING DOG INCIDENT AT CAIRNS JOB SITE

MR WHEELAHAN: And now at page 26 of that bundle, Ms O'Gorman has asked that the Courier-Mail article be tendered titled Two Men to Face Court After Violent CFMMEU Protest, dated 19 April 2023. That's pages 26 through to 29.

COMMISSIONER: No objections? Courier-Mail article by Brendan O'Malley, 19 April 2023, Two Men to Face Court After Violent CFMMEU Protest, exhibit GW-26.

<EXHIBIT GW-26 COURIER-MAIL ARTICLE BY BRENDAN O'MALLEY, 19/4/2023, TWO MEN TO FACE COURT AFTER VIOLENT CFMMEU PROTEST

MR WHEELAHAN: And if I could ask your associate just to take a copy of this document. This is the last document to tender today. It's an article from the Australian Financial Review dated 4 March 2026 titled Gatto-Linked Firm Approved for Victoria Water Contracts.

COMMISSIONER: Are you putting in photos of yourself, are you?

MR WHEELAHAN: I thought that was a photo of you, Commissioner. I might be in the background. But it's not for that purpose. On the second page, there's a photo of Mr Mick Gatto wearing a T-shirt, and if the operator could expand the logo on it, please, M Group Construction Services.

COMMISSIONER: That's the entity that went into liquidation owing $700,000; is that right?

MR WHEELAHAN: Well, we won't use the word "liquidation". It's the entity of which there's an ASIC search in exhibit GW-19. It is currently deregistered, and it's the entity that Mr Watson gave evidence about.

COMMISSIONER: Well, Mr Watson's evidence was that the parent company went into administration, but this entity went into liquidation. He was taken to it by Mr Wilson.

MR WHEELAHAN: Yes, that's right.

COMMISSIONER: I'll just check.

MR WHEELAHAN: You are correct, Commissioner, and I won't go to it, but just for reference, it's -

COMMISSIONER: Which paragraph was it? Sorry, I cut you off.

MR WHEELAHAN: You haven't marked the exhibit yet, sorry. The second page is the photo.

COMMISSIONER: No, I'm just asking you which paragraph of Mr Watson's report refers to this entity. He was cross-examined on it by Mr -

MR WHEELAHAN: We'll just find that for you too. Mr Operator, can you do a control-F at the same time?

COMMISSIONER: Paragraph 867.

MR WHEELAHAN: I'll just have that brought on screen, then.

COMMISSIONER:

"In 2017, one company, M Group Construction Services Pty Ltd, was forced into liquidation owing the ATO over $700,000."

Just bring up that photo.

MR WHEELAHAN: Mr Operator, can you go back to the Australian Financial Review article we just gave you. You haven't marked it or accepted it yet as the tender.

COMMISSIONER: Yes. What's that? The company's M Group Construction Services Pty Ltd, and that looks like it says M Group Construction Services.

MR WHEELAHAN: Well, in the words of Mr Watson, we can read. That's what it says.

COMMISSIONER: But you really just want this photo in evidence, don't you? You don't need the rest of it?

MR WHEELAHAN: That's true. That's the purpose for the tender. It's just another indicative fact for submissions to be made. I don't need to put it to Mr Watson. It's just a matter for counsel assisting to make submissions that here's another matter from which inferences might be drawn.

COMMISSIONER: And you would say it's a 10th - well, it's not something he knew prior to making his report. It's one of the - it's now a fifth thing he knows - well, we know - after the report was made.

MR WHEELAHAN: I can't quite hear you, sorry, Commissioner.

COMMISSIONER: I understand what you're saying.

MR WHEELAHAN: Yes. I just want the photo tendered. I won't say -

COMMISSIONER: Well, why don't we just put the photo in?

MR WHEELAHAN: Yes. Thank you.

COMMISSIONER: Can we just tender the photo?

MR WHEELAHAN: Yes.

COMMISSIONER: Is there any objection to that? Photograph, undated, showing Mick Gatto wearing M Group Construction Services polo shirt, apparently during an interview on the Channel 9 Footy Show, will be exhibit GW-27.

<EXHIBIT GW-27 PHOTOGRAPH, UNDATED, SHOWING MICK GATTO WEARING M GROUP CONSTRUCTION SERVICES POLO SHIRT, APPARENTLY DURING AN INTERVIEW ON THE CHANNEL 9 FOOTY SHOW

MR WHEELAHAN: Thank you, Commissioner. Nothing further.

COMMISSIONER: Are there any other applications this afternoon?

MR WHEELAHAN: Not that I'm aware of.

MS O'GORMAN: Commissioner, I don't have an application. I just have something to update you with.

COMMISSIONER: Yes.

MS O'GORMAN: I understand that 4 o'clock today was the deadline for resubmitting applications for cross-examination of Ms Schinnerl and Ms King. I also understand that that date has been listed for 25 August. That's a date that neither myself nor Mr Massy are available and was listed without consultation with us. We're making efforts to see what arrangements can be made, and we'll have to revert to the Commission about that.

COMMISSIONER: Are you dealing with the cross-examination of Ms King and Ms Schinnerl?

MR WHEELAHAN: I am, Commissioner. I'm just obtaining the date. There was a letter sent to all parties advising of those listing dates for cross-examination.

MS O'GORMAN: Sorry, if I wasn't clear, when we received that letter we were not available at that time and remain unavailable.

COMMISSIONER: And how long ago was that?

MR WHEELAHAN: I'm just checking. I think it was about the 23rd.

COMMISSIONER: Of which month?

MR WHEELAHAN: Sorry, 17 July, I think.

COMMISSIONER: All right. Well, it's not going to be much of an event without Ms O'Gorman and Mr Massy, is it? I mean, they're the main people who want to cross-examine Ms Schinnerl.

MR WHEELAHAN: Ms O'Gorman will not be in the jurisdiction. I don't know, Mr Massy, whether he can perhaps change his availability?

MS O'GORMAN: I was just going to propose that perhaps if the Commission's content to extend the 4 pm deadline today by a few days, that perhaps we can be in discussions and come back to the Commission.

COMMISSIONER: Is that convenient?

MR WHEELAHAN: Yes, Commissioner.

COMMISSIONER: Very well. Is there anything else? No? All right. We'll adjourn till the next hearing block.

<THE HEARING ADJOURNED AT 3.45 PM