

ROYAL COMMISSION INTO TRADE UNION
GOVERNANCE AND CORRUPTION

Public Hearing

(Day 8)

Level 5, 55 Market Street, Sydney

On Thursday, 18 June 2014 at 10.00am

Before the Commissioner: The Hon. John Dyson Heydon AC QC

Counsel Assisting: Mr Jeremy Stoljar SC
Ms Fiona Roughley

Instructed by: Minter Ellison, Solicitors

THE COMMISSIONER: Yes, Mr Stoljar.

MR STOLJAR: May it please the Commission, two very brief housekeeping matters. If I could provide for the Commission's records the original witness statements of Katharine Rosemary Wilkinson and John Agostinelli, both dated 14 June 2014. They were two of the witnesses yesterday.

THE COMMISSIONER: Thank you.

MR STOLJAR: The first witness today and indeed the only witness today is Katherine Jackson.

<KATHERINE JACKSON, sworn: [10.01am]

<EXAMINATION BY MR STOLJAR:

MR STOLJAR: Q. Your full name is Katherine Jackson?

A. Yes.

Q. And you are a resident of New South Wales?

A. Yes.

Q. You are the National Secretary of the Health Services Union?

A. Yes.

Q. You have prepared a witness statement in these proceedings dated 13 June 2014. I provide you with a copy. Do you have a copy with you in the witness box?

A. Yes, I do.

Q. You wanted to make some corrections to that statement. Can I first take you to paragraph 40. In the second line should the date "2014" be "2007"?

A. Yes.

Q. Could I take you to paragraph 174. You refer in the first line to "National Executive meeting". Should that be "officers meeting"?

A. Yes, it should.

THE COMMISSIONER: It should be what exactly?

MR STOLJAR: "National Officers meeting", not "National Executive".

Q. When did the national officers meeting take place?
A. The national officers meeting took place before the national executive on that same day.

Q. In 181, in the first line, there is a reference to "executive meeting". Should that similarly read "national officers meeting"?

A. Yes.

Q. So the word "executive" should be deleted?

A. Yes.

Q. Paragraph 422, in the final line, it currently reads:

... the Union was at state and political donations.

Should that be "stake" - S-T-A-K-E?

A. Yes.

Q. And just correcting one other date. In paragraph 217, it presently reads "Wednesday, 5 September 2011"; should that be Wednesday, 7 September 2011?

A. Yes, it should.

Q. Save for those --

THE COMMISSIONER: Could I just interrupt, Mr Stoljar. I have a very small number of trivial possible changes.

Q. Could you look at para 259. Do you see the first line, the last word, should that have a capital initial?

A. 259?

Q. Para 259. Do you see the last word? Should that have a capital initial?

A. Yes.

Q. The same change perhaps should be made to para 541?

A. Yes.

Q. And finally, if you go back to paragraph 486, the second line says "Was once". Should that be "were ones" - O-N-E-S?

A. Yes.

THE COMMISSIONER: That is all, Mr Stoljar.

MR STOLJAR: Q. Did you wish to make any other corrections to your statement?

A. No.

Q. Save for those corrections, is the content of your statement dated 13 June 2014 true and correct?

A. Yes, it is.

MR STOLJAR: I would ask that that statement be received into evidence, Commissioner, and the statement is accompanied by a bundle of documents in three volumes. I will provide the original of the witness statement placed inside the first volume and then volumes 2 and 3 and I'd ask that they be marked for identification.

THE COMMISSIONER: Yes. The statement of Katherine Jackson on 13 June 2014 is received into evidence and the three volumes will be respectively called Jackson MFI - is it satisfactory just to call them Jackson MFI1 and treat them as having three volumes?

MR STOLJAR: Yes, Commissioner.

THE COMMISSIONER: Those three volumes will be Jackson MFI1.

JACKSON MFI#1 THREE VOLUMES OF DOCUMENTS TOGETHER WITH STATEMENT OF KATHERINE JACKSON DATED 13/6/2014

MR STOLJAR: Q. Ms Jackson, from 1996 through to 2010, you were secretary of the No 3 Branch of the HSU?

A. Yes, that's correct.

Q. From 2007 you were also national secretary of the HSU?

A. That's correct.

Q. Then between 24 May 2010 and 21 June 2012, or thereabouts, you were - well, there was a merger of the No 3 Branch with another branch in Victoria and the New South Wales branch?

A. Yes.

Q. And you became executive president of HSU East Branch which was the merged three branches?

A. Correct.

Q. And you were also executive president of HSUEast, with the word "east" having a small "e"?

A. Yes.

Q. Your statement is quite lengthy, so I won't take you through every paragraph. Pick up the statement at page 9. There is a heading "Initial Suspicions" and you identify the time as shortly after the amalgamation on 24 May 2010, in paragraph 81, and you say that you started to become uncomfortable with observations that you had made; is that right?

A. That's correct.

Q. You describe in paragraph 84 audit and compliance committees at committee meetings. Did you attend those meetings?

A. Yes, I did.

Q. Were you provided with financial information with respect to HSUEast. In paragraph 82 of your statement you refer to HSUEast. Do you mean by that collectively the merged three branches which I referred to before as HSU East Branch and also the HSU New South Wales entity?

A. Yes, I refer to both the New South Wales - sorry, the federally registered entity and the state registered entity.

Q. And you just refer to that collectively as HSUEast?

A. That's correct.

Q. So when we discuss HSUEast, we're talking about those two entities collectively?

A. Yes.

Q. The Audit and Compliance Committee meetings, how often did they take place?

A. They met usually before a National Council meetings, so quarterly, and more if required.

Q. Did you receive financial reports in respect of HSUEast at those committee meetings?

A. We received those reports at the meeting as the meeting was about to start. Those reports were individually handed out, so you couldn't go and collect a copy from a table, so they were individually handed out. They were numbered. We didn't have them for that long,

maybe four, five minutes, and they were collected very soon after that and you were ticked off a list when those reports were collected.

Q. Who physically did the collecting and ticking off?

A. Usually it would be Iris Knight who was a member of the committee, but sometimes it would be the financial controller Barry Gibson or Melissa Tsiavoras and I think she was the HR manager at the time.

Q. And did that practice concern you?

A. Definitely it concerned me. It is very unusual, coming from a branch where you would give out the reports and members were allowed to keep the reports, it was their reports, I found it quite strange that these reports were being collected so quickly and the fact we weren't allowed to keep them or even ask questions about them.

Q. You say in 85 that you in fact took a copy of the financial papers from the Audit and Compliance Committee meeting without being observed. Why did you do that?

A. Because I wanted to scrutinise those accounts more closely and not in the four or five minutes they had been out on the table, and you were watched like a hawk when these accounts were handed up and I managed on one occasion to - I think I left the meeting quite early or went out and took the papers with me, and when I came back they'd already been collected, so no-one asked me for mine.

Q. In tab 8 of volume 1, page 301, using the numbering in the top right-hand corner, you have included a copy of the documents?

A. Sorry, was that tab 8?

Q. Tab 8 and the numbering is page 301. Just to be clear, is the document at pages 301 and 302 a document that you prepared, the summary page?

A. No.

Q. What was the document that you were handed at the meeting? Was it the document beginning on page 303?

A. Yes. I should just correct that. They were the documents - 308 as well were the ones at the meeting and on 303 where I have said "State Register" or "State Reg" in my handwriting is the state registered organisation, and the others would be the federally registered organisation.

THE COMMISSIONER: Q. The two pages before that comprise a document prepared by you. For example, on page 302 in the third last line it says, "What is this"?

A. 301, 302 are mine.

Q. Yes.

A. But the printed copies from 303 onwards is what was provided at the meeting.

THE COMMISSIONER: Yes.

MR STOLJAR: Q. And pages 303 to 307 relate to the state entity, was that your evidence?

A. 303 was their state registry, yes.

Q. These were handed out and then you took them away with you?

A. Yes.

Q. And you went through them, did you?

A. Yes, I did.

Q. And you prepared a summary of matters that gave you concern. Was that the sequence of events?

A. Yes.

Q. And the summary is pages 301 and 302?

A. That's correct.

Q. When did you prepare the summary, roughly? I'm not asking for --

A. After March, so the reports on 303 and beyond go to December 2010.

Q. Yes.

A. So I waited for another meeting to get more bank statements and then prepared pages 301 and 302 once I had the March bank register.

Q. Coming back to your statement, you describe in paragraph 86 and following conversations that you had with Mr Williamson. Mr Williamson was also present at the Audit and Compliance Committee meetings, I take it?

A. Yes, he was.

Q. His position was at that time what?

A. The general secretary.

Q. And you made some protest to him about not being able to keep documents, did you?

A. Yes, I did.

Q. What did he say?

A. He said that they were private documents and that we couldn't keep them and they were, you know, commercial in confidence, all that sort of stuff, but importantly, other members of the committee also asked, particularly the Victorian councillors and I was reprimanded for not keeping those councillors under control.

Q. Who reprimanded you?

A. Mr Williamson.

Q. Were those requests or protests made by yourself and other Victorian councillors at the meeting itself?

A. I made them - definitely not at the meeting itself because it would have been death for a lot of those people on that committee. They would have been alienated by other members.

Q. You don't mean that literally; you mean there would have been disapproval by other members?

A. Oh, total disapproval.

Q. You made the protest to Mr Williamson in a separate conversation, did you?

A. Yes. And I did make it at the meeting. Like, initially when we started, when we amalgamated, in the first meeting when I noticed that the reports were being handed up, or collected, I said, "Why are these being collected? We need to keep copies of these minutes." And the New South Wales councillors were quite horrified that somebody was even asking a question at these meetings and at that meeting I was told they were commercial in confidence and documents of the union and they couldn't be kept.

Q. Your suspicions, you say, had begun to intensify by late 2010 and in early 2011 - coming to paragraph 92 - you visited a holiday home of Mr Williamson's and you say in your evidence:

It was this occasion which crystallised my suspicions of corruption.

What was it that you observed that crystallised your suspicions?

A. What I observed at this meeting - and keep in mind that I'd seen before the meeting - sorry, before being invited to Brightwaters, Mr Williamson had been in Melbourne and was showing me photos of his holiday house and I made an off-the-cuff comment, something like, you know, "Oh, this looks great", you know, "You must have had a really good architect to do this for you." And he said, "Oh yeah, of course, Ron Mah-Chut. You've met him." And that sort of set an alarm bell off in my head because Ron Mah-Chut had been the architect that had been engaged by the union to clean up after the big flood in Victoria, and at that point I thought, "Why do we even need an architect to clean up, you know, flood damage?" You don't need an architect to organise flood damage or repair flood damage, but once I visited his house, it became quite evident to me that this was not just your average holiday home that most ordinary Australians would own. It was quite palatial. There were very expensive fittings to the home, stereo systems, and I remember sitting out on the back deck and there were other officials of the Health Services Union there at the time as well. It was a working meeting. I remember saying to him, you know, it's got - because it's on the lake and I remember saying to him, "You've got a great view here. What happens if somebody blocks you out?" And he says, "Don't worry about that. We've bought the place next door as well." And I thought "God, you know, that's bit strange".

And then as the day progressed and my children were there as well, the children were let into this very lavish playroom that had every conceivable mod con available to them. Leaving Brightwaters, my children couldn't believe that they lived in such destitute circumstances with me and they wanted to have the stereophonics at our place, but it was very evident after I left Brightwaters there was no way, from what I knew at the time, that Mr Williamson could afford to live in such a palatial holiday home and have the mod cons available to it and keep in mind at the same meeting he told us all how there was going to be this - I think he had plans there as well, this in-ground swimming pool was going to be built and there was going to be a cabana and all this other stuff, there were jet skis out on the lake and talk of purchase of a boat, et cetera.

Q. Moving through your statement, at 101, you say that you felt conflicted. Can you give a bit more evidence explaining about how you felt in 101? What was the conflict that you felt?

A. The conflict I felt was I was friends with these people. People need to understand that when you work in the union movement, as I have for the last, you know, 22 years, you know, you make friendships. You don't just work with these people, you don't just go to work and leave, it is a community and I was friends with all these people and it dawned upon me after that visit and seeing what I saw and seeing the behaviour of some of the people there, that something had to be done, but I knew that if I did something, because they would sit there and tell their war stories about, you know, what had happened, for example, to Mr Hardacre or what had happened to others in the union movement, that, you know, it wasn't an easy thing to do because they'd be after me.

I was very hesitant to take any action other than to make further inquiries to make sure I was right about it because, you know, for all I knew he might have inherited a lot of money or there could have been some sort of wealth in the family that I didn't know about, so I wasn't prepared to make any public allegations to that sort at that time.

Q. In order to make some headway, you engaged a private investigator; is that right?

A. I then came back to Victoria, agonised for weeks, if not months, about what to do.

Q. In considering the sorts of concerns you have just described in your evidence?

A. Yes, and looked at things like, you know, when you look at that 301 chart in tab 8, looking at the Communigraphix, United Edge, the architects, Access Focus, the printers, et cetera, I looked at the amounts that the former Victorian No 1 Branch and No 3 Branch had spent on similar services. I made inquiries with other organisations. I contacted the people that had the contract to provide IT services before United Edge, and asked them how much the union were paying at the time. I looked at the Mah-Chut Architects' bill and then I deliberately made a visit to the Sydney office to see what sort of works were going on there, architectural works, to justify, you know, a \$283,000-plus payment to

Mah-Chut Architects between 2010 and 2011.

Q. Just pausing there. When you mention that figure, you are referring to the figure on page 301 of MFI1, about two-thirds of the way down the page?

A. Yes. I looked at all that sort of information and spoke to various people and what I was confronted with was that, you know, if I went to the police then the police would see it as one union official making an allegation against another union official and I had no confidence that my allegations would be taken seriously and at that point the opportunity would be given to Williamson and co to execute me, at that point. When I say "execute me" I mean to totally destroy my political career in the union movement, which they've done quite successfully, regardless of whether I'm telling - you know, I'm here telling the truth, I've always told the truth and here I am, you know, as a target not by the membership, but more importantly a target by the media because they want to have their story told, because it suits their purposes, but a target by the ALP and the labour movement which I knew would happen but I never thought it was going to happen this badly.

Q. You I think were about to say that you took the next step of engaging a private detective?

A. Yes. So I then had - I then spoke to a private investigator, his name was Mr Nick Mamouzelos, and asked him how he could assist me, because I wanted to make a complaint but I didn't want to make a complaint that wasn't going to go nowhere and where the leadership of the union, the ALP and the labour movement would use it against me, so I engaged Mr Mamouzelos, a private investigator.

Q. He is the gentleman to whom you make reference in paragraph 105?

A. Yes. Before I engaged - I think we'll get to that later. But, yes, I engaged him and said to him that I needed him - I gave him the bank registers. I gave him that tab 8, pages 301 and 302. I gave him names of people that ran - for example, Communigraphix, who was involved in United Edge, Mah-Chut Architects, Access Focus, what I knew about ER Printers, and told him or asked him to go out and see what he could find out using his means.

Q. He then began his investigations, but you describe in paragraph 109 and following some discussions you had with Mr Hayes, Gerard Hayes. He came to Melbourne for a period

of time?

A. Yes. In early - I think it was in early - in late 2010 Mr Hayes was sent to the Melbourne office for a number of weeks. In about February of 2011, late February 2011, this is after I had visited Mr Williamson's holiday home, Mr Hayes was at the same event.

Q. Who else was at the event?

A. Mr Hayes was there. Mr Mylan was there. David Langmead, the union's counsel, was there. Mr Williamson's wife was there. My partner came initially and left at the end of day one because he wasn't prepared to stay somewhere where he had - he had also formed the view that this was problematic.

Q. So those people are there. Mr Hayes had been there, you were saying, and then you describe some conversations you had with Mr Hayes in paragraphs 109 and following and you've got some quite lengthy extracts of conversations, but can I just ask you about a few points.

Did you raise with Mr Hayes some of the entities about which you had concerns, such as Access Focus?

A. Oh, definitely. Definitely. I considered Gerard Hayes to be a colleague and a friend of mine at the time and that he had the best interests of the membership at heart and that he was fully supportive of the amalgamation, like we were. We entered in to that amalgamation in good faith to get the best outcome for our membership. What I realised though, when I met with Mr Hayes in late February 2011 - this is before I'd gone - I had not engaged a private investigator. I had not spoken to other members of the council. I met with Mr Hayes. I had photographs of the invoices that I had taken of Access Focus invoices and I told Mr Hayes what I thought was happening, and he, to my surprise, was basically - he basically said to me that he knew that there was corruption but there was nothing he could do about it because Mr Williamson was far too powerful and he would destroy both him and I, and that we should just wait until he retires. Once he retires, we'll make Mr Williamson the CEO of the organisation and then everything would be okay. Mr Hayes also told me at the time that he was concerned about his defined benefits scheme and he didn't want to jeopardise that and, you know, he just wanted his 60 and he'd be out of there.

Q. That is the part of the conversation to which you make reference in paragraph 123 of your statement?

A. Yes.

Q. You mentioned in passing in your evidence a moment ago that you'd taken some photographs of invoices. Can you just describe the circumstances in which you did that?

A. Yes.

Q. And what were the invoices?

A. What had happened was there was a meeting of the council planned for - I don't have the exact date here. It would be in my statement somewhere. There was a meeting of the council in Melbourne. This is the HSUEast council, not the National Council. This is a state organisation, also the federally registered HSUEast.

What had happened was everybody had come down the day before for that meeting and there may have been an officers meeting the day before. At that meeting they all went off - when I say "they all went off", the usual practice was that the New South Wales men would come into the Victorian office. There'd be a quick meeting and off to lunch they would go, usually the Crown Casino.

Late that afternoon I received a call from Barry Gibson, who was the financial controller of the branch at the time, and he asked me to see if the suitcase was left in the office. I checked to find this suitcase and the suitcase contained the financial records that were to be at the meeting the next day. I found the suitcase and informed him that, yes, I did have the suitcase. He didn't want to come back to the office to collect the suitcase, so he asked me whether I could bring it to the meeting the next day.

I packed up the suitcase and put it into my car and took it to Tullamarine the next morning. I couldn't believe my luck, actually. Here I was for the first time ever with access to financial records of the union, totally by accident. I opened that - when I got to Tullamarine, I opened the suitcase and flicked through the files. In those files I saw the Access Focus invoices and I took a photo with my iPhone of those invoices and just kept them for the time and then went back to check, do a Google search and a company search to see what this company was.

Q. Did you show Mr Hayes the photos that you'd taken in the conversation to which you made reference a few moments ago?

A. Yes. Yes, I did. I showed him those invoices. I showed him - I talked to him about Mah-Chut Architects. I asked him, because he'd been an official in the New South Wales branch for so long, you know, what sort of renovation works had he seen at HSUEast in the Pitt Street office that would come close to \$283,000-plus. You know, I asked him about the United Edge. United Edge were the internet providers to the union. I also had printed out at the time a copy of United Edge's internet page where it showed the registered address for United Edge was the Pitt Street office and I asked him whether United Edge had their own separate office in there with their own separate staff and infrastructure, and he informed me that wasn't the case.

Q. You were the executive president of HSUEast at that stage?

A. Yes.

Q. Did you have access to the Sydney office?

A. No, I did not. I did not even have access to go to the lavatory. I had to be swiped in, in and out of the lavatory.

Q. By someone at the office?

A. Somebody at the office. But yet, every official every of the NSW branch when they came to Victoria - when we amalgamated we gave over passwords, keys, access codes, like you normally would when you amalgamate. So they had open access to the Sydney - sorry, the Melbourne office and I assumed, incorrectly, that when we amalgamated that the officials of the New South Wales - the Victorian based officials would also have the same access but that was never to be and every time we asked, they kept on saying that, "Oh, it's coming" and, "Don't worry, we'll buzz you in and buzz you out." There was an occasion where Mr Bolano and I had to jump the front counter to get access to the office because no-one would - they'd make us wait in reception as if we were there for an appointment.

Q. As executive, what's the order, what are the structural arrangements in terms of seniority?

Mr Williamson is the general secretary, I think you said, and then you are the executive president?

A. Two deputy general secretaries, one from each state.

Q. What does it look like structurally? Williamson is at the top. Where do you fit in? Are you number 2 or further down the chain?

A. I was in charge of the executive committee. I was supposed to chair that but that never transpired because Mr Williamson chaired most of those meetings. What I realised very soon after the amalgamation was that, I suppose it was a bit of a token role in the amalgamation to give me that role, just to keep me happy, because when you looked at the rules, everybody reported to Michael Williamson and more importantly, my only role was to chair the executive committee meeting at the time, but the number one position was the general secretary and then the deputy general secretaries.

Q. On page 14 of your statement you are dealing with a further discussion with Mr Hayes that you had. You'd previously shown him the invoices and you have described the conversation you had on the earlier occasion. We're now in, you say, late February. Mr Hayes came over for a barbecue. In substance, you took him through evidence that you'd gathered relating to various entities. Can you just describe how that discussion panned out?

A. I invited him to my home in late February. I thought that I'd have another crack in, you know, asking him, in a social setting, whether, you know - my partner was there, my children were there, I thought we were friends, that once again I'd come to the view that Mr Williamson was corrupt and the corruption was real and large and that we had to do something about it as an organisation; that we couldn't turn a blind eye; that the membership deserved better from us.

I took Mr Hayes through the evidence that I'd gathered. I talked to him again about the Communigraphix contract and how the ridiculous amount of money we were paying for somebody just to lay out the magazine because in the meantime I'd made inquiries. The union employed a journalist, the union took all the photos, the union did all the collation of the articles, and here we were paying over \$1 million for somebody to lay out a magazine where in Victoria - and I explained this to Mr Hayes - we had a publicity officer, Mr Sam Kelly, who laid out the magazine, produced the articles, and sent out the magazine on the wage of a media person and at that time I think it was roughly - I think it was 60, \$65,000, I could be wrong

about that, but it was not a \$1 million publication.

I also talked to him about United Edge and talked to him about the search that I'd done again and had gone to the ALP website and saw that Mr Williamson on that website had put himself down as a director of United Edge and whether Mr Hayes was aware that he was - whether he was aware that he was an owner, not just a friend of these people, and I didn't get any straight answer about that.

In relation to Access Focus and the invoices, once again, I asked him whether he knew what they were because as we could see on that tab 8, page 302 or 301, there were many invoices for Access Focus. I checked the public records. There were no public records for this company. The invoices looked quite dodgy to say the least. I also discussed with Mr Hayes - because he was - he had been at that Brightwaters occasion and I knew that he had a relationship with Mr Williamson, they were quite friendly and they'd visit each other and all that.

I then asked him to support me in exposing Mr Williamson's corruption and what I meant by that was going to the council and to the executive and talking to the council and executive about what we discovered so the union internally could deal with it. I did not think for one minute exposing the corruption meant having, you know, this huge media storm and fight and brawl publicly because I thought that - I naively thought that when other members of the executive were aware of what was going on that they would take action, but to my surprise Mr Hayes basically said - well, not basically - actually said to me, "Look, I know he's a crook. There's nothing we can do about it. He's just too powerful. He'll be gone in a couple of years. We'll make him the CEO", and that's a conversation - when I say "conversation", that's what he'd said to me weeks earlier and I was just totally astounded by that position, totally blown away by it.

Q. To your understanding what was meant by the proposition, "We can make him CEO"? CEO of the union?

A. CEO of the union. He expected that I and others would go along, that at some - at some sort of bizarre level that these people operate on, there would be some rule change where Mr Williamson would be slotted in as the CEO of this grand organisation and he would, you know, not come to work or maybe chair meetings occasionally, chair the council,

and he'd get a CEO salary for doing that. I then reminded him - as I said, it wasn't even reminding him. I was in total disbelief that I was hearing this from another union official and I won't use the language - people can look at my witness statement about what I actually said. I couldn't believe what I was hearing. Mr Hayes said, "Oh, you know, maybe the CEO is the wrong term, but understand this, he's got to be looked after." I said, you know, "That's not good enough. This person, as far as I'm concerned, is thieving the members' money and, as we speak, living an obscene millionaire's lifestyle off the backs of our members and something has to be done."

I sat there in total disbelief because all I kept on hearing from Mr Hayes was that, "We can't do anything. He's too powerful. Look what's happened to - look what he did to Mark Hardacre. He destroyed him more than a decade ago and his power now is even more entrenched." Back in the 90s when Mr Hardacre had made his allegations, Mr Williamson was a fairly new senior official of the Health Services Union. In that time he'd gone on to be the President of the ALP, senior positions in the State ALP in New South Wales, and as far as Mr Hayes was concerned and Sussex Street was concerned and the ALP was concerned, he was untouchable. And Mr Hayes - I said to him, "Surely you're not going to turn a blind eye to this?" And Mr Hayes basically said, "He's just too powerful. You know, I'm happy to help you behind the scenes, but I'm not coming out to have my" - to put his head on the block, basically; he was not prepared to do that.

Q. You deal at page 16 of your statement, paragraph 143 and following, with the situation involving Mr Thomson and by that stage, so August 2011, there were quite significant allegations being aired against Mr Thomson in the media. We don't need to go through those paragraphs 143 and following in great detail, but if I could take you to 166, you say that Commissioner Scipione, that is the New South Wales Police Commissioner, responded to the allegations at the time by stating that the New South Wales Police needed a complaint or there could not be any investigation?

A. Yes.

Q. And you decided to take some action after hearing that report, did you?

A. Yes, I did. There was outrage amongst the membership in Victoria. I know that for a fact because I'm from

Victoria and I was getting messages not only from members on the ground but the organisers were coming back to the office saying, you know, "We need to have a clear position on this." I had seen - I had read in the paper what Commissioner Scipione had said, that he needed a complaint, which I thought was a bit bizarre at the time. It's like saying that there's a murder on the street but you need to, you know, find the person who did it before the police can do anything about it.

I considered that the union had to make a clear public position at that point. Up until then, the union had been - the public position was, or the union's public position at that time was that, "Fair Work Australia is looking into this. We're not making any comment. The regulator is looking at this and until the regulator decides what to do then we're not making any statement about this." But what had happened by 24 October was that Mr Thomson had --

Q. 24 August?

A. Yes, had been on Radio 2UE and made some admissions there that we had not heard about, or I had not heard about before, and the national executive hadn't heard about before, and at that time - by 24 or 23 August, it was clear in my mind that Mr Thomson was lying, had lied to Fair Work Australia and the union had to - at this point the union had an obligation to its membership to tell the membership what we knew.

Q. You prepared a report - this is in 169 - to put to the national executive the following day to authorise you or the union to refer the allegations as a formal complaint?

A. Yes, I did. That night I prepared a report for the national executive and that's, as you say, at tab 11. It was quite a comprehensive report about what I thought had happened to date.

Q. That is at 355 of volume 1, MFI1, behind tab 11?

A. Yes.

Q. That is a document you circulated, looking at 355, to Mr Williamson and others?

A. I sent that out at 10.05pm on the night of August the 23rd. I also sent copies to - sorry, I sent the copies to the national executive and also to the solicitors Ken Fowlie, Phil Pasfield and David Langmead.

Q. And then at page 358, come to tab 12, this was a statement that you prepared which you were proposing to put to the meeting that morning?

A. Yes. I arrived at the meeting that morning at Pitt - not in Pitt Street, sorry, in - the National Office was in Sussex Street in the Trades Hall Building. That morning I prepared a statement from the national secretary to the National Executive about what we should be doing and how we need to - I'm happy just to read the last paragraph of this:

Despite repeated requests from the HSU to Fair Work Australia as to the timing of when its investigation will be complete, Fair Work Australia still shows no signs of concluding that investigation after more than 18 months. Although Fair Work Australia is the relevant regulator, the NSW Police also have statutory responsibility in relation to allegations of criminal fraud perpetrated against the union in New South Wales ...

And that is, of course, the allegation against Craig Thomson:

It is now in the overriding interests of the members that this matter be addressed as quickly as possible and a referral to the NSW Police should therefore now occur.

And my motion was that the National Executive endorse the statement from the national secretary.

Q. Did you have discussions with Mr Williamson before that meeting took place?

A. Yes, I did. The day before, on the 23rd - I think it was a Tuesday, 23 August - was it the 23rd? Yes, 23 August. That afternoon I called Mr Williamson after I had spoken to the staff in the Melbourne office about what had been happening. I called Mr Williamson to say I was very concerned about what had been happening and I was quite appalled by what I was hearing. His response to me was not to worry about any of that; we don't have to make any referral to the police; that it was just a storm in a tea cup; that it was just "these right wing nut-jobs

on the radio up here, Ray Hadley and Mike Smith, are just going nuts. It's going to blow over by the end of the week"; and just to keep my head down and make no comments and it will go away.

I was quite surprised by that response from him. I informed him that that's not what I had been hearing from Victoria, from the Victorian officials, and that it was not just a storm in a tea cup, it wasn't going to blow over by the end of the week, and the union had to adopt a position because the members expect us to adopt a position.

Q. The National Executive meeting did proceed later that morning or later that day on the 24th?

A. Yes. The day before Mr Williamson wanted me to cancel the meeting. He wanted me - he told me that his father was sick and he needed to go to see him and we could do this meeting another time. Keep in mind this meeting was a pre-planned meeting. The meeting wasn't called by Commissioner Scipione had made those comments. That was a meeting that was already in the diary and officials from all over the country were going to be flying in that day anyway. I then called other officials, senior officials, such as the national assistant secretary and the vice-president of the union at the time, Mr Brown, and told them that the meeting had to go ahead because as a union we had to have a public position on this for the membership.

Q. Ultimately it did go ahead?

A. Ultimately the meeting did go ahead.

Q. Your draft statement was varied to some extent, but in any event a statement was ultimately agreed?

A. Yes. My statement was varied to some extent but leading - before my statement was varied to some extent, Mr Williamson had sent Mr Fowlie down from Slater & Gordon because it was usual practice in the organisation to cloud everything under, you know, legal and professional privilege, so let's wheel the lawyers out and therefore the union can't say anything, because the lawyers have told the officials not to say anything and the lawyers would deal with this, and Mr Fowlie had turned up to the meeting with a very mealie-mouthed statement that they expected the union to make which was something along the lines of - I think I have it somewhere, but something along the lines of, "This is in the hands of Fair Work Australia and the union has no further comment to make", which I thought

was an outrageous state of affairs when the membership across the country were up in arms about this and wanted an explanation not from Mr Fowlie, not from Fair Work Australia but the leadership of their union.

Q. At tab 14 of your statement there are the minutes of the meeting of the National Executive. This is at page 360. Various matters are discussed. Item 1 is the Craig Thomson issue and it seems from the information on the front, the first page, page 360, that Mr Williamson attended by teleconference in respect of item 1 in any event. The statement which was ultimately approved and endorsed appears on page 361 going over to page 362, and the key point I suppose from that statement is the final paragraph on 362:

In these circumstances and based on the new material that has come to light in recent weeks, and to remove any suggested impediment to the investigations of NSW Police, the National Executive has today resolved to refer the matter to the NSW Police and cooperate with any subsequent investigation.

That was approved at the meeting?

A. Yes, it was.

Q. And then --

A. It was approved at the meeting. I just want to add this. It was approved at the meeting because I made it quite clear to them at that meeting when Mr Fowlie and others were trying to get the watered-down face-saving motion that the union had no further comment to make because Fair Work Australia were dealing with it. Keep in mind that Fair Work Australia had been dealing with this for 18 months, believe it or not, and in that time that Fair Work Australia had been dealing with it, and even at the end of Fair Work Australia's report, they didn't even interview the finance committee. The finance committee of the Health Services Union were never interviewed by Fair Work Australia, ever. Mr Brown sat on this committee, Ms Rosemary Kelly sat on this committee, they were never interviewed and when Fair Work Australia started their investigation, I had to call them for an interview. That's how keen they were to investigate the goings on at the Health Services Union, but I suppose that's a matter for

future hearings or other forums.

THE COMMISSIONER: Q. Ms Jackson, that minute of the meeting on 24 August sets out a statement.

A. Yes.

Q. That statement seems to be word for word the same as parts of the statement appearing over your name behind tab 13. That is the one which was drafted by Mr Fowlie; is that so?

A. Sorry, no, no, that's not the one provided by Mr Fowlie.

Q. I just want to clear this up. If you go to paragraph 172 of your statement --

A. Yes.

Q. -- you say:

Before the meeting, I saw an email from Mr Ken Fowlie that set out a proposed media release ... There was no mention of referring the matter to the police.

A. Yes.

Q. And then it says at the end of the paragraph:

A copy of the media release is located behind tab 13 ...

A. That's my media release or the one that was approved by the National Executive. I thought somewhere in here I had - I just have to look for it - there was the initial - there was an email received from Slater & Gordon that they wanted us to put out instead of my motion.

Q. Maybe it's not worth spending time on it now.

A. In the break I may be able to dig it out.

Q. Yes. Perhaps those who are instructing Mr Stoljar might be able to find it.

A. Thank you.

MR STOLJAR: Q. But Ms Jackson, do I draw from that exchange with the Commissioner that the document which is behind tab 13 and is numbered 359 is a media release which

you drafted? Indeed, that is --

A. Yes, that was the statement that was ultimately endorsed by the National Executive --

Q. Let's just take this in steps.

A. Yes.

Q. On 24 August 2011 there is a meeting at 11.34am and we know that from page 360. During the course of that meeting a statement was approved, or the form of a statement was approved, that being the statement on page 361 through to 362?

A. Yes.

Q. And then the media release at 359 seems to be on all fours with the statement approved at the meeting?

A. Yes.

THE COMMISSIONER: Not entirely; some paragraphs are.

MR STOLJAR: Yes.

THE WITNESS: Yes

MR STOLJAR: Q. In any event, the critical point is that at paragraph 172 of your statement, when you make reference to the media release, that is not the media release prepared by Slater & Gordon?

A. No.

Q. That's the media release that you finalised following the meeting; is that correct?

A. That's correct. That's the media release that the National Executive finally approved to release and I just need you to understand the circumstances and the events that led up to that.

I made it quite clear to the National Executive that if the National Executive did not endorse this action at this meeting by me, that I will be making this statement as a citizen and as a member of the union. I didn't have to make this statement as the national secretary.

Q. Can I just take you back to the minutes of the meeting. That is at page 360 and following MFI1 behind tab 13. We have seen the statement that there was also some authorisation given to you which is recorded on

page 363. First of all, you were authorised to publish the statement on the website and you were authorised to refer the matter to the NSW Police and you were authorised to make a statement to the media in terms of a statement to members above?

A. Yes.

Q. To then come back to your statement, we've just dealt with 186 and 187 and immediately after that National Executive meeting you spoke to media and issued the approved statement?

A. That's correct.

Q. And that evening you appeared on the Lateline program?

A. Yes.

Q. And you were asked a question about what emerged from credit card statements and you said at 191, "It happened." Looking back, were you going further than you had been authorised by the National Executive meeting?

A. I did not think that I was going further. I believe that when I'm asked a question, regardless of whether it was the media or anybody else, that you give a truthful answer and the answer that I - sorry, the question I got asked on Lateline was, "Do you actually believe that Craig Thomson has used a union credit card to pay for prostitutes?" and my response was, "Yes, it happened", because I had seen the statements. I had seen the correspondence and I had heard what he'd said on the radio. I'd heard what he'd said to the - when I say "heard", I knew what he'd said to the investigators because there were reports given by Slater & Gordon to executives at various times and as far as I was concerned, as the national secretary of that organisation, and from what I had seen, that it had definitely happened.

Q. The reason I ask that question is after you made that statement on Lateline, was it put to you by others of the HSU East Branch that you had gone further than had been approved at the National Executive meeting on 24 August 2011?

A. Yes. I received emails from Mr Dan Hill, the WA secretary, reprimanding me for going beyond what was authorised by the National Executive for me to be able to say and that I was not to comment about these matters any further and there would be future meetings to discuss this.

Q. At this point - I'll come back to that. You say at 193 and 194 that you attended a meeting shortly thereafter at ALP Victorian Branch or in respect of the ALP Victorian Branch Administrative Committee. You say there that people said things to you at the meeting. Had you ever been subjected to that sort of comment before?

A. Oh, never. I went to this ALP administrative committee where various people were telling me a traitor and labour rats, some of them are sitting in this courtroom today, and that was their - I understood from that point onwards, not that I had a feeling this was going to happen before I went down this path, but it crystallised in my mind that these people would do, as Mr Richardson says, "Whatever it takes". Whatever it takes to shut me down and to make sure that these, my allegations, and as far as I was concerned at the time they weren't just allegations, I'd seen the evidence, and more importantly, more importantly, as an organisation we had a duty of care to those members and we did not have to wait for a police investigation. We did not have to wait for a criminal complaint. We as an organisation could have dealt with those matters internally because the burden of proof, as far as I was concerned, in a criminal matter is quite different to the burden of proof and what we as an organisation should have done and didn't do because there was a protection racket going, and why that protection racket was occurring is because unfortunately, through no fault of the Health Services Union or its members, that we found ourselves in this situation where there was a one-seat majority and, you know, poor old Mr Thomson held that seat and --

Q. But just coming back to - I just wanted to look at the events that you describe at 189 and following a little more closely. When you appeared on the - sorry, I'll take it in steps. You were able to identify quite precisely the moment at which, as it were, from your personal perspective, the tide turned against you and it seems to be the very moment that you appeared on Lateline and you said the words, "It happened." Prior to that time no-one had been making the comments that you describe in 194?

A. That's correct.

Q. And it all starts because you said that. You'd been authorised by the National Executive, firstly, to refer the complaint to the NSW Police and to make media statements about it.

A. But the message was, "Yes, we referred this matter to the police. Yes, there's a Fair Work Australia investigation, but as the executive we have nothing further to say because the relevant authorities are dealing with this." So therefore, we or I as the national secretary, or as a member of the union, or as a citizen, were not allowed to put my own personal view forward, although I had information where I had formed the view that certain things had occurred.

Q. The question you were asked related to your belief.

A. Yes.

Q. And you responded to it.

A. Yes.

Q. But is this the position, or is this your understanding, that you were from that point subjected to the comments of the kind you describe in 194 because you were seen to have gone further than had been authorised by the executive?

A. Yes.

Q. Or is it more complicated than that? You tell me.

A. Oh, it's not more complicated than that. At that point they realised - when I say "they", I know it sounds crazy when I say "they", but they are members, or not members, they are people in the labour movement that will do anything and say anything to protect certain people that they choose to. At that point I was very aware that I'd be subject to immense pressure and immense - "pressure" is the wrong word; that these people would just come after me.

Q. What do you mean by that? What pressure were you anticipating?

A. I was expecting everything that's happened to me I expected from day one. I expected them to call me a labour rat, a traitor, that I'd destroyed the Health Services Union's reputation, that I had, you know, colluded and conspired with the Liberal Party, which I find very offensive, that I had become - this didn't happen early on but later on, that I was a Liberal Party prostitute and that I was doing everything in my power to bring down the Labor Government, which is the furthest from the truth.

Q. You appeared on Lateline on the evening of 24 August 2011 and on 26 August 2011 you say you were awoken in the

early hours. Tell us what occurred on that evening?

A. On the evening, the early hours of that evening of - early hours of Friday, the 26th, I was awoken probably about 3am. There was a loud bang, a very loud bang, it sounded like a gunshot or something. I got up. I looked around. My partner was away on a hearing in Darwin that night. I looked out my window. I heard another bang, I think. I opened my front door when I turned all the lights on and noticed that there was a shovel at my front doorstep.

As you can imagine I was very distressed by this incident. I was quite hysterical to say the least. I called the police. The police attended. The police did not want to leave me at home on my own. I explained to them what had happened in the previous days and they were aware of the media storm that had been occurring and I was taken to the police station and stayed there for the night until the following morning when I was allowed to go home and the police talked to my neighbours. My neighbours had heard the bang and I think my neighbours - sorry, I think it was the police had said the bang may have been somebody trying to break a window but they were double-glazed windows, so they didn't manage to break the window and as I said I was quite hysterical I suppose by that incident.

To make matters worse, the New South Wales people, particularly a woman called Lyn Astill, sorry, not Lyn Astill, I apologise to Lyn Astill. A woman called Lyn, I cannot remember her surname, it will come to me soon, was then putting affidavits out that I'd made that all up and it was all, you know, Kathy Jackson making up that somebody had left a shovel at my front doorstep. I just could not believe it.

Soon after that, days - I think it was a day after or maybe two days later, there was an anthrax scare. White powder was left at Senator David Feeney's office where his office went into lockdown. I say that they were not coincidences.

Q. Let's just focus on what you saw and heard. You say that on the same day, 26 August, your business phone was cut off. Just describe what happened there. Which phone are you talking about?

A. When I eventually got home on the Friday, there was a huge media pack - I think there was a media pack at the

office. There was media at my home. I shut all my blinds down. I was trying to call people on my phone and discovered that my work phone, my mobile phone, was no longer working. It was just - there was no signal, it was just blank, it had been cut off. I called the Sydney office from my home line and asked them why my phone wasn't working and can you please get my phone reconnected because I was getting many calls from people from everywhere, and I was told by Mr Hayes at the time they didn't know what the issue was and they were going to fix it.

So eventually my phone was reconnected and on that same day, on that Friday, I received a call - when I spoke to Mr Hayes, Mr Hayes said that he'd spoken to Michael Williamson and that Michael Williamson was very concerned about me and he wanted me to come - he wanted Gerard Hayes to come to Victoria to help me and that Slater & Gordon had engaged some guy Eamon Fitzpatrick to do the messaging and that I no longer needed to speak to the media about this issue because I was under such extreme stress that they wanted to take me out of that stressful situation. And yes, I was extremely stressed but I was also extremely angry about what had happened.

I said to Mr Hayes that there was no way that I was going to agree in having Eamon Fitzpatrick or Slater & Gordon giving out my message which was different from their message.

Q. And then you became unwell for a few days in the latter part of that week and you describe this in paragraph 216 and you were in hospital for a period of a few days, five days or so?

A. In the week beginning - it started before that. Since that Friday - Friday, the 26th, I - sorry. I was sectioned under the Mental Health Act. I was an involuntary patient at the Austin Psychiatric Hospital in Melbourne. I had believed at that time - sorry, I withdraw that.

I had never been under such immense pressure or stress in my whole life and I don't expect anybody else in this situation to ever have gone through anything like this. I now understand what drives people to do certain things, but I did - when I entered the hospital I did begin taking anti-psychotic medication and was told that I was subject to further breakdown and long-term damage to my health if I continued to be in such a stressful situation. That stress

I say was caused entirely by the actions of not just the HSUeast but the actions of the National Executive, the actions of the labour movement at large.

Q. You were discharged from the hospital on 7 September 2011 and that was one of the paragraphs that you corrected at the outset and you noticed something about your office when you came back to work. We'll come back to that in due course. On 12 September, you made a formal complaint of corruption to the NSW Police against Mr Williamson?

A. Yes, I did. When I got home from the hospital my advice from my doctors was that I should just checkout of this and not involve myself any further. I knew that if I went down that path, forget about me being destroyed, they would destroy every official in the Health Services Union that supported my position, which is namely the Victorian councillors and all the Victorian staff, and I was not prepared for that to occur because there were good people and honest officials that have worked in those branches and they did not deserve what was coming their way.

I just want to let people know that in that - between the 7th and the 12th, before I went to the police and while I was in hospital, Mr Williamson and Mr Mylan and others held a meeting in Melbourne where they called the staff in to express their grave concern about my health and they understood how stressed I was and I got sent flowers and I think even Mr Dan Hill from WA sent me flowers wishing me to get well soon, and there was also a video published on the HSU website talking, you know, indicating they had complete confidence in me and that we were a complete unity ticket and they couldn't wait for me to return to work. I think that they believed that I was not going to return to work and, therefore, you know, poor old Kathy would be off sick for a while and the good old boys would take over and get their message across; but what happened on 12 September I decided that there was no way these people are going to break me like they were trying to and they are still trying to. On 12 September, after I spoke to Nick Mamouzelos, my private investigator, I made a formal complaint of serious corruption to the NSW Police against Mr Williamson.

Q. If you go to page 369, which is behind tab 16, is that a letter that you drafted yourself?

A. Yes, it is.

Q. And this is the letter that you sent to Assistant Commissioner Dave Hudson at the NSW Police, dated 12 September 2011?

A. Yes, it is.

Q. I will just ask you some questions about parts of that letter. Towards the bottom of the page, 369, you describe the amalgamation and then in the final paragraph on page 369 you say:

Gradually over time since the amalgamation, as I have become aware of a succession of matters affecting the finances of HSUEast, I found myself driven - reluctantly - to the conclusion that the HSUEast is affected by serious corruption, at the centre of which is Michael Williamson, the General Secretary.

And then you say:

Mr Williamson's legal and practical control of HSUEast is such that there was no realistic chance that these matters could be effectively addressed through internal processes. I have been driven to the conclusion that my duty to the members requires me to make this complaint to police about this state of affairs. An outline of my complaint is attached.

I just want to come back to the sentence which begins on page 369:

Mr Williamson's legal and practical control of HSUEast is such that there was no realistic chance that these matters could be effectively addressed through internal processes.

What did you mean by that?

A. What I meant by that was that Mr Williamson - it became quite evident to me when we were having meetings of the National Executive and the State Executive, that Mr Williamson would always get the legal advice that he wanted. If you shop around long enough you will get somebody to give you the advice that you want and the

practical control was such that those organisers and those councillors from New South Wales would blindly follow Mr Williamson over a cliff if they had to and which they did, I suppose. I had had - I only talk about my discussion with Mr Hayes in my statement, but I did have discussions with other - one other staff member.

Q. Who was that?

A. Her name was Bev Turrello. She was the ACT organiser. I thought that - my partner and I both spoke to her because he knew her personally because he grew up in Canberra and I thought because she was a radiographer, a health professional, she might understand what was going on here.

Q. When was that discussion?

A. That discussion was before I went to the police, so some time in August of 2011.

Q. And where were you?

A. I was at home and she was on the other end of the phone.

Q. And what did you say to her?

A. What was said to her was that, "This is what we think is happening. We don't want you to do anything. We just want you to" - I just wanted to hear from her what she thought her reaction of the council would be.

Q. And what did she say to you?

A. She said that she heard what we said to her, she didn't want to comment, she would take a few days to think about it and get back to us. When she did get back to us it was quite evident she had spoken to Ms Kerrie Seymour and my position was, "I'm not talking to you about this. This is about Kathy Jackson wanting to take over the union. This is the Victorians wanting to take over the union." So no further attempt was made to talk to any other New South Wales councillor or official or staff member.

Q. And then you included in your referral on page 371 and following quite a detailed description of the complaint that you were bringing to the attention of NSW Police. I perhaps won't go through that now. If you come back to your statement, you then describe events after you issued that referral. In 225, for example, you say that you prepared a media release and that release is at page 378. It doesn't refer in any detail to the nature of the

complaints that are being referred?

A. That's correct.

Q. You simply say that information has been supplied in respect of matters that - I am reading from 379:

... in respect of matters that are the subject of widespread media reporting within the last few days.

A. Yes.

Q. Then a meeting of the councils of HSU East Branch and HSUeast was held on 16 September 2011. Was that a meeting that had been arranged prior to 12 September or was it convened subsequent to your referring Mr Williamson's conduct to the NSW Police?

A. I think it was - I'm not positive but I believe it was called subsequent to me going to the police because the matter for discussion was the allegations of wrongdoing within the union.

Q. And then at tab 18 of page 380 is a letter that you sent to the council in advance of a meeting?

A. I sent this letter to every councillor in advance of the meeting. I wanted to outline to them as far as possible why I took the actions that I did and what I'd become aware of. You know, I'm happy to read parts of it:

It causes me sorrow to take this action. I believe passionately in the importance of unions and their vital role in protecting and advancing the interests of working people and their families. I know that the vast majority of our officials are honest and work hard to advance and protect the members' interests. They have my complete confidence. I know that media interest and a police investigation has led, and will likely lead to more, adverse publicity for the HSU and for the union movement more generally.

However, I had to consider my fiduciary duty to the members. The members are being prejudiced by what appears to me to be a drain of money pursuant to corrupt and uncommercial arrangements with contractors.

A union that is completely focused on protecting and advancing the interests of its members requires that any corruption of the sort alleged be addressed. I believe that it is in the interests of the members and the labour movement more generally that any corruption that may occur in a union is exposed and rooted out.

Q. Could I take you to page 381.

A. Yes.

Q. You say in the third paragraph:

I expect that some will urge the Branch Council to take no further action ... That is not a proper or satisfactory approach.

And then further down the paragraph:

We are obliged to make decisions on the basis of facts ...

Et cetera. Were you endeavouring to articulate to the other members of the council what your position was in advance of a meeting that had now been convened?

A. Yes. I was trying to explain to them that it wasn't only my obligation, but it was also their obligation as office holders of the organisation that they had a duty to the membership, and not just my duty but our duty, meaning the council's duty to the members, required us to ensure that these allegations were properly investigated on behalf of the membership.

Q. Did you receive any response to that letter from other members of council?

A. No, I did not.

MR STOLJAR: And then the meeting took place. I wonder whether that is a convenient time, Commissioner.

THE COMMISSIONER: Yes. Just before we adjourn, there is going to be a small inquiry into the relationship between para 172 and tab 13. I think there should also be an inquiry into the relationship between paragraph 220 and tab 15. Tab 15 is a newsletter that doesn't seem to have anything to do with the paragraph. We will resume at

10 to 12.

SHORT ADJOURNMENT

THE COMMISSIONER: Yes, Mr Stoljar.

MR STOLJAR: Q. Ms Jackson, can we just deal with a couple of matters that arose during the course of your evidence this morning. You said in part of your evidence, and more particularly at paragraph 172, that Slater & Gordon prepared the press release and you described the content of that press release. Then I think we established that the media release behind tab 13 was not the one that Slater & Gordon had prepared. Can I provide you with an email dated 24 August 2011 from Mr Fowlie of Slater & Gordon to Mr Williamson, yourself and Ms Bradbury. Mr Fowlie says:

Further to my email last night and my conversation with Michael this morning, please find attached a draft statement.

And then the attachment, which is the second page of the documents I just handed you, is that a copy of the statement that Mr Fowlie had suggested?

A. Yes.

Q. And the point you made about that statement is - it concludes by saying:

The National Executive resolved to continue to co-operate but otherwise made no further comment.

A. That's correct.

MR STOLJAR: I'd ask that that email and the attachment be marked for identification.

THE COMMISSIONER: Yes, that will be Jackson MFI 2.

JACKSON MFI#2 EMAIL DATED 24/08/2011 FROM MR FOWLIE OF SLATER & GORDON TO MR WILLIAMSON, MS JACKSON AND MS BRADBURY TOGETHER WITH ATTACHMENTS

MR STOLJAR: Q. At paragraph 220 of your statement, you make reference to a video news bulletin and then you say in the final sentence of that paragraph:

Located behind Tab 15 of Jackson MFI-1 is a copy of the ...

And you say "newsletter". Are you referring to the video news bulletin that Mr Williamson published on the website?

A. Yes.

Q. If I take you to tab 15, page 367, the first page, is that a print-out of the website?

A. Yes, it is.

Q. And if I come to the second page, page 368, there is a red circle around an entry for Wednesday, 7 September 2011?

A. Yes.

Q. If someone accessed the website, they could click on that?

A. They will click on that and there would be an interview conducted by Kathryn Kennedy interviewing Mr Williamson where he talks about having complete confidence in me and how we are on a unity ticket and he wishes me all the best, and that audio file is available in some of my material somewhere.

THE COMMISSIONER: But one could now, if one wanted to, click on and hear the interview?

MR STOLJAR: I suspect it's not still on the website.

THE WITNESS: No, no, that was - that was taken off the internet very quickly.

THE COMMISSIONER: Q. But you think that somewhere we have a printed version of that?

A. I captured the audio file at the time.

Q. Right.

A. And I provided that to the Royal Commission.

Q. What was your reaction to that interview?

A. My reaction to that interview was that Michael Williamson and the New South Wales part of the union were trying to have an appearance of normality to the membership, that everything was okay, you know, there were

allegations out there, but I think they thought - because if we look at the date, it's 7 September, I still had not gone to the police to make my police complaint.

On that day I was discharged from the Austin Hospital and I think they believed that I wasn't going to be back at work for a long time and that it would be business as usual and I would be contained.

Q. And the taking off the website of that interview, did you have any role in that happening?

A. No, not at all. No. But it was broadcast - that week that was broadcast to every single member across HSUEast. They all would have received a link to this email or to this - every Friday or Thursday the members received their weekly news bulletin, and they would have received that bulletin for them to access and to see, and more importantly, in that same week, as I said earlier, Mr Williamson and other officials from New South Wales had been to Victoria to have a staff meeting to talk about how Mr Williamson had complete confidence in me, we were in a unity ticket, and he asked the staff to move motions of support and confidence in both he and I, and my understanding of that meeting was that the staff in Victoria were not prepared to move a motion in confidence in Mr Williamson but were quite prepared to move a motion of confidence that they had complete support in me.

MR STOLJAR: Q. Who or how was the website controlled? Was that done through the Sydney office?

A. Yes.

Q. When the video news bulletin, which had been promulgated on or about 7 September 2011, was taken down, who would have done that?

A. That would have been done in the Sydney office by - on the instruction of Michael Williamson.

Q. Just before the break, I was coming to the meeting of the councils on 16 September 2011. If you have a look at tab 19, page 383 of the bundle, there are the minutes of council meeting on that day. It's said to be held by teleconference. You were in Melbourne, were you?

A. Yes, I was.

Q. Were there other Victorians who were in attendance by telephone on the day?

A. Yes, there were. There were - if you look at the - is this the - sorry, the 16th. I'm just checking these minutes. Yes, I was in attendance that day and various members of the council had held proxies for other members, but for that meeting, we were in Melbourne, the Victorian council were in Melbourne and the New South Wales councillors were in the Pitt Street office, as I understand.

Q. I have just a quick question. There were some observers at that council meeting. Was it typical that there be observers at council meetings?

A. Yes, it was. Staff and others that weren't on the executive of council often were admitted as observers when - I believed at the time, on the 16th, that any member could turn up and observe these meetings, but at this meeting there was Andrew Lillicrap, Darren Williamson, John Murphy of counsel, and Phillip Pasfield of Slater & Gordon were at that meeting.

Q. Was there any debate about the motion that observers be admitted to the meeting?

A. No, there wasn't.

Q. Now, 385 sets out a number of resolutions. Were these resolutions which you were propounding?

A. Yes, they were.

Q. So resolution 1, in substance, was that no union funds may be spent or approved for legal or other professional advice or representation in respect of an official the subject of police investigation?

A. Yes.

Q. Was that resolution passed at the meeting?

A. No. That resolution was defeated at the meeting, and then there was a second resolution.

Q. Yes.

A. And that second resolution was:

That an independent and transparent review of HSUeast's financial affairs, including in particular, contracts with commercial suppliers be conducted. That lawyers and a forensic accountant completely at arm's length from HSUeast selected by the

(President of the Law Society and the President of the Institute of Chartered Accountants respectively) be retained to conduct that review and report to the Council.

That resolution was also defeated. My third resolution was:

That Council affirms the right of any member to inspect the financial records of the union and directs that any member who seeks to exercise that right be given full and unfettered access to the financial records of the union, including through an expert agent such as a forensic accountant.

Q. Was there debate about these resolutions?

A. No, there wasn't.

Q. What was the voting, do you recollect? I mean, how was it --

A. The meeting was a bit of a shambles. The meeting - as I recollect, the meeting was a very hostile meeting where the phone kept on dropping out and they kept on blaming the Victorians for hanging up. Now, we had no control over the telephone communication system. The database and the internet system had been set up through Sydney. As far as we were concerned, we had a teleconference phone in the middle of the table. We were sitting around the boardroom table. Every time we wanted to say something, or debate something, the phone lines went down for 10, 20 minutes. Eventually they'd be restored. At certain points I think they tried to shut down the meeting. People were being yelled out. People were being accused of being traitors and dogs and what have you.

Q. When you say "people were being yelled out", who was doing the yelling?

A. The New South Wales councillors - and they're listed, the ones in attendance. I mean I don't - I couldn't recognise every voice, but there was - there was a very hostile and angry mood of that meeting.

Q. Two New South Wales councillors did vote in favour of the resolution, you say, in 228, Dr Llewellyn and Mr Hinge?

A. Yes. Dr Llewellyn and Councillor Ted Hinge voted

against and spoke against the resolution.

Q. That is to say in favour of your resolutions?

A. In favour of my resolutions, yes.

Q. How did they react when the resolutions were voted down?

A. Mr Llewellyn at some point - I don't think it was at this meeting. Mr Llewellyn eventually resigned from the union and Councillor Ted Hinge, as I understand, was totally alienated by the New South Wales councillors for being a traitor to them.

The remaining 46 New South Wales councillors voted the resolution down including - including the one where - my third resolution which was to give members access to the financial documents of the organisation.

Q. Was there any reason given for rejecting that resolution?

A. No.

Q. Was there any reason given for rejecting the proposition that there be an independent and transparent review of HSUeast's financial affairs?

A. No.

Q. And any reason given for rejecting the proposition that union funds should not be spent or approved for legal or other professional advice, or services, in respect of an official the subject of police investigation?

A. No, other than there was people shouting and screaming how, you know, they were just my crazy allegations, that I was just power hungry, wanted to take over this union and destroy the union, and that members were allowed access - members were allowed to access union funds to pay for their legal costs, and Michael Williamson was a member and he was to be afforded that right. It was just - it was a very surreal and unbelievable state of affairs of what happened that morning in that teleconference.

The Victorian councillors that were there, the ordinary rank and file members who had given up their time to come to this meeting, were absolutely shocked in what transpired at that meeting, and the shouting and the bad behaviour and unprofessional behaviour of the New South Wales councillors and, more importantly, as observers, we

had John Murphy of counsel and Phil Pasfield of counsel not even attempting to give the right legal advice. And keep in mind, this was a meeting of an amalgamated branch. They were not there just to give support for the New South Wales councillors, and I think at some point one of the delegates or it could have even been me, called on them to, you know, tell them what was the right thing to do. You know, here we had solicitors - and I imagine the union paid for their time to be there, they didn't come there pro bono to represent the union, but they remained silent, and their view was that the union - the union was going to conduct an investigation and that investigation would be conducted by John Murphy of counsel.

Q. In the period after 16 September and leading up to 22 September, you say in 236 that you heard reports of Williamson's supporters saying things. Now, did you, yourself? This is 236 I am drawing attention to.

A. That was reported back to me. I was receiving telephone calls from members across New South Wales saying words to the effect that Michael Williamson is innocent. I think - not I think. I know they even said that in the teleconference. People were saying that "There is nothing in Kathy Jackson's allegations; that if police had any evidence on Michael Williamson, they would have acted by now and he would have been charged by now", but I had only gone to the police on 12 September. I mean, Strike Force Carnarvon was instituted or announced, rather, hours after I left the Parramatta Police complex, so there was no way between the weeks of 16 and 22 September that the police would have done anything. But members - members, as I understand, were being intimidated in New South Wales. Not in Victoria, because in Victoria, Marco Bolano and I and the other organisers and officials were keeping the members abreast of what was happening, like we always had, but that became increasingly difficult over the coming months.

Q. You say in 240 that you had a meeting with Mr Hayes to discuss Mr Williamson's strategy for dis-amalgamation. That is a dis-amalgamation of the merged branch?

A. Amalgamated branch.

Q. Yes, HSUEast. You say that a meeting was arranged between Mr Hayes and Mr Mylan but ultimately Mr Mylan didn't attend and that was going to be at the East Sydney Hotel on 26 September. The merger had only occurred in

about May 2010; is that right?

A. That's correct.

Q. But what reason did Mr Hayes propound to you for dis-amalgamating the merged branch?

A. Well, soon after 12 September, after I'd gone to the police and they realised that there was no way I was going to back off from the path that I had taken, my understanding was that I had - well, not my understanding, but what had happened was I had received a call from Senator David Feeney and he had said to me that he'd been speaking to Sam Dastyari who at the time was a New South Wales state secretary, and he proposed that there should be an amicable divorce, is how he put it to me; that there should be a de-merger of the branch and that we would go back to how we were pre-amalgamation, and he said that he thinks that I should do this because there was no way I could beat them, that they were just too powerful and that I could not beat Sussex Street. So therefore the safest thing for me to do, and to protect the interests of the Victorian part of the membership, is to agree to an amicable divorce.

Q. Taking that in steps. Had anyone suggested that the merged branch be dis-amalgamated prior to 12 September 2011; that is to say, putting the question around the other way, had that suggestion ever been made prior to your reporting the matter --

A. No.

Q. -- to the New South Wales Police?

A. No. We were working towards a great new branch that would do great things because we actually believed in the amalgamation. As far as we were concerned, the Victorian part of the amalgamation, we amalgamated in good faith. We put our faith in doing the right things by the membership which meant that a big union - there was no point in having these little discrete almost craft-based organisations. Health was a national - yes, it's funded - sorry. It's funded federally, but all these modern awards that was going through, award modernisation, we thought it was sensible as an organisation that we should move towards getting rid of these craft-based small organisations and having a big powerful union that represented the interests of all the members across the eastern seaboard if that was possible because if you look at say, for example, what a physiotherapist earns in Victoria or New South Wales or

any other state, it made more sense to us that we had common conditions regardless of what state you worked in, particularly when all those national registration boards had become - they'd become national boards, there wasn't state-based boards anymore, there was national registration of these health professionals, but more importantly also in relation to non-clinical workers, there was a shortage, or there is a shortage and will be a shortage of health workers in Australia and across the world, and it made sense to us as an organisation that we had a common position across Australia of how Health is funded and how members are organised and it didn't - you know, what worked 20 years ago, 30 years, 10 years ago was no longer relevant.

Q. Were you surprised when the proposition that the branches or that the East Branch be dis-amalgamated was first put to you?

A. Of course I was surprised. I was surprised, astounded and quite discombobulated by it, I suppose. I just couldn't believe that after all this hard work that they were proposing - and when I say "they", not the members, Sussex Street and the ALP thought it was best that we just go back to where we came from because that made it easier for New South Wales to handle this situation without the Victorians being involved.

Q. Had it been an expensive process?

A. It had been a very expensive process. There was - lots of rule changes were put through. Lots of legal advice was received. Information to members was put out. There'd been a - there'd been a - what do you call it - you know, a coming together of the databases, infrastructure, staff. Staff reviews, KPIs, all that stuff had been put together. Phone numbers. The whole - like any organisation would, you spend a lot of money when you amalgamate to sure the thing down, to make sure that going forward that, you know, all the boxes have been ticked and the organisation was going to move on from that, and we'd announced that there'd been - if people go back and look at the material that was put out at the time, it was something that was supported by both branches or all three branches, it wasn't just the No 3 Branch but the No 1 Branch as well and the New South Wales as something that was in the best interests for the members and, in the long-term, in the best interest of the health system in this country.

Q. You had a conversation with Mr Hayes, you were saying, at the East Sydney Hotel. Tell me about that conversation. You discussed the amalgamation?

A. Yes. I - Mr Hayes had also - also knew before this meeting - obviously Sussex Street had spoken to him, he knew that their position was - and when I say "their position", this was Michael Williamson's position that was endorsed, as I understand, by Sussex Street, that this dis-amalgamation should be pursued and that was their number one goal at that point. I said to Mr Hayes that surely after what we've been through, he did not believe in the dis-amalgamation because he'd been down in Victoria for months before that. He saw what an effective branch I ran and Marco Bolano ran, and understand that in New South Wales, they weren't part of the federal system so they weren't enterprise bargaining, so they were more used to dealing in the state system - and, let me tell you, dealing in the state system is a walk in the park compared to dealing in the federal industrial system under the Federal Act, and we reminded them and trained them, and that's why Mr Mylan - sorry, Mr Hayes was down there, that enterprise bargaining is not a matter of, you know, going into the employers and doing some sort of sweetheart deal, you have to go out there on the ground and understand what your members' needs are and what they want bargained for and what they don't want to bargain for and have the members' views expressed in those enterprise agreements.

Now, New South Wales weren't used to doing business that way. There had been a Labor Government in place for a very long time. There had been no contracting out to any great degree in New South Wales, and this was a new world for them, and that was another reason for the amalgamation because of the expertise that the Victorian branch brought into the amalgamation was priceless to them because we had a legal team, industrial team, that were well trained. When I say "well trained", well qualified and well experienced in the matters of enterprise bargaining.

So, at this meeting Mr Hayes did agree - he did support the amalgamation, but it was quite evident that he could not - could not agree to that with me because he had instructions from his boss and his leader, Michael Williamson, that that was not to be the case and Mr Williamson's strategy, as far as I was concerned, and the other Victorians was concerned, was to run away from the problems and they believed that if the Victorian part

of the organisation was sent back to Victoria, then it was business as usual and, essentially, all the organisers and councillors of New South Wales would be loyal to Williamson and remain loyal to Mr Williamson.

Q. I want to come through to some events a little bit later. You cover in your statement the period after that conversation with Mr Hayes and the speech you gave and the like, but I wanted to come through to the Annual Convention which you deal with at paragraph 270 and following.

A resolution had been circulated in advance of the Annual Convention, item 68. Sorry, a number of resolutions and item 68 on that list had been circulated. I will just track that down. I think you will find it in the second volume of MFI1, page 407.

A. Sorry, what volume was that?

Q. It is the second volume of MFI1 and it is page 407 in the top right-hand corner.

A. Yes.

Q. Item 68 is at the bottom of page 407 and it goes over on to the next page 408. It says:

The Sub-branch condemns the actions of the Executive President in failing to bring allegations concerning the Union to the attention of Union Council prior to going to the media.

Just pausing there - in fact, we'll just move on:

As a result of this meeting ...

Et cetera. The proposition, in a nutshell, is that you were said to have briefed the media. Is that about the allegations concerning Mr Williamson?

A. Yes.

Q. We went through the sequence of events earlier and there was the National Executive meeting on the morning of 24 August at which you were authorised to speak to them - I'm sorry, was that Mr Thomson?

A. That was about Mr Thomson.

Q. In any event, the sub-branch then resolved that there

be a vote of no confidence in your role as executive president and also said:

We demand that the Union Council de-merge and create an ACT/NSW branch and that a Victorian branch ...

The Children's Hospital Westmead general sub-branch, that was a branch of what used to be the New South Wales sub-branch, or what used to be the New South Wales branch, I take it?

A. Yes.

Q. Were there any reasons or explanatory memoranda or other information given as to the basis on which those resolutions were being propounded?

A. Of course not. But keep in mind that on 14 September - I can't remember what tab it is in, we spoke about it earlier - I had written to all the councillors to make them aware of what my allegations were, so they did have a copy. At these particular sub-branches, I imagine that they would have a councillor on site that would have reported what had happened at those council meetings, and before the convention I also prepared a document that I was handing out to delegates as they arrived, and it wasn't just me handing them out. That document was handed out to every delegate as they arrived, and what I saw, when I handed - you know, there were people that took the document and just ripped it up in front of me and I just said, "Well, why won't you even read it?", and they're like, "Well, we're not going to read the crap that you are putting out about Michael Williamson", and I said, "Just read it. You have a fiduciary duty to read this." You know, "Here you are coming to a national" - not a national, but the HSU's convention to vote, "and before you vote, you should read what's before you and not just follow what you've been told by your organiser that has a vested interest."

Q. Is the document that you refer to that was issued by you in advance of the meeting, was that the document which is at tab 25, page 404, or is it some other document?

A. No, it's not tab --

THE COMMISSIONER: Is it tab 18?

MR STOLJAR: Q. Yes. Tab 18 is in the first volume of

MFI1, page 380. That is the letter that you sent on 14 September 2011 to the councillors?

A. No, there was that, but there was a more comprehensive document --

Q. Yes.

A. -- and I thought it was in here somewhere.

Q. That is --

A. But it was based on - it was based on that 14 - tab 18 document, but a more comprehensive document than that.

Q. And that is the document that you were handing out?

A. Yes. I photocopied at least 1,000 copies of this document and the Victorian delegation brought these documents up with them and we were handing it out and we put it on every seat in the convention hall when we were finally allowed in and, as I said, what I witnessed, myself, was some people took it, but most people that took it, most of the New South Wales councillors that took it, ripped it up and put it in the rubbish bin.

Q. The convention commenced on 14 November 2011 or thereabouts. You were in the audience, were you?

A. Yes, I was.

Q. You describe what occurred when Mr Williamson arrived. What did you see?

A. Mr Williamson arrived mid-morning. The lights were dimmed and all of a sudden this spotlight turns around and it's at the door to my left, I think, and there was this huge spotlight and all of a sudden in top gear you have the "Rocky" theme playing and I thought, "Oh my God, who is coming now, we must have a special guest", and here it was Michael Williamson walking into the convention on the arm of his wife - very presidential, I must say - waving to the assembled adoring crowd, and I noticed that organisers had been placed strategically across the room. They were making hand signals to the delegates to stand and to clap. There was wild jeering and clapping and you know - it's what you see on the tele if there was a democratic convention of some sort of primary in New Hampshire, I suppose. The only thing missing was the streamers and the confetti.

Q. And then was there a debate in respect of item 68?

A. There sure was. On the next day, not the first day.

The first day was smoke and mirrors. Here - you know, the union had spent a lot of money at this convention. It was a Centenary convention. Members across the branch, both in New South Wales and Victoria, had sent in very relevant resolutions about what they wanted to see the convention deal with, but, instead, on day two we're informed that item 68 was going to be the item that was going to be debated at this conference.

Q. Who made that decision?

A. The chair, I think, Mr Pollard. Then there was a lot of toing and froing about how many people could speak. At the morning break we were told that there was going to be 30 for one side and 30 for the other side and people couldn't speak for longer than two minutes, but that wasn't adhered to. So, there was a break in the session and, at that point, there were people going around and they had to speak to - I can't remember who it was, but there were people keeping lists about who could speak for and against the resolution.

When the meeting resumed, Mr Pollard and Mr Mylan then invited Marco Bolano and I up to the stage. Up until that point we were sitting with the delegation. We weren't allowed to sit on the stage. This was held at the Darling Harbour Convention Centre, so it wasn't a small room like this, it was, you know, a huge concert hall, so to speak. It was full. There was a huge table - you know, a proper table at the front; a lectern. We were invited up to sit up there, and then it started.

Q. What started?

A. The debate on section - item 68 started. As I said I was allowed to sit on the stage at that point but it was quite disconcerting because, you know, all of a sudden there were lights going up and down and the spotlight on Mr Pollard, who was to my left at the time. Eventually I got an opportunity to get up and speak. I was allowed to speak for, I think - I think it was about 10 minutes. It was pretty pointless because I was drowned out. No-one could - hardly anybody could hear me. The microphone - all of a sudden, you know, the microphones were being turned down, the lights were being dimmed, the behaviour of the delegates at this conference was appalling. You wouldn't see anything like that --

Q. Well, what did you actually see and hear?

A. Oh, well, all I heard was - there was screeching banshees everywhere. I heard people calling out that I was a Judas, that I was a traitor; that how dare I'd gone to the police. One man even called out to me, you know, "Michael Williamson invited you to his daughter's wedding and this is how you repay him, you bitch." There were people saying that I should go back to Victoria, that I've caused all this trouble.

There were - the mob and group thing going on at that meeting quite disturbed me. I sat there in total shock and disbelief that this was actually happening. I thought at one point that - I thought at some point I was going to pass out from it all, but I - I squeezed my legs so hard I ended up with a bruise on it because I didn't want to cry in front of them and not give them the satisfaction, but you could see the faces of people in the crowd, their anger, and the - you know, it's almost like, you know, going to a Collingwood/Essendon match and, you know, the umpire's called it the wrong way and these people go feral, it was a bit like that. And at that point I thought there was no point, you know, why - he - they'd phoned - these delegates, for a lot of them, it was the first time they'd ever been to such a convention and to put on such a performance by them when these people were there to see how a union was run and to have their issues dealt with, you know, there were issues in the agenda papers to do with, you know, overtime payments, restructures, privatisation, you know, the run of the mill work that the union should be endorsing and supporting its members, but, instead, we get this item 68 - and if you read item 68 at 407 from all these different sub-branches, there was no way that these sub-branches at Bathurst, the Blue Mountains, Canberra, Childrens Hospital, Kenmore Hospital, et cetera, et cetera, Nepean Hospital, Mercy Health Care, Royal Prince Alfred - there is a story in there, I'll get back to that. Sunnyfield Central Coast General, Westmead, all these - Young, you know, that's where Mr Pollard comes from, all these sub-branches were almost identical in nature and I say, and I know this, that the union executive and the union officers and the employees of the HSU East branch based in New South Wales, their job was to go out and get these resolutions moved by these sub-branches and to take them to that council meeting, or the convention, to discredit me and to discredit the Victorian - the Victorians that were part of the new union.

And keep in mind this was a Centenary convention of this organisation, the Centenary convention that everybody was looking forward to, and there were people calling out how I'd ruined this union. It had 100 years of proud history until I came along, and how dare I go down this path, and Williamson had done these fabulous things for the union and look at how much money the union had, and here I was throwing it away and ruining it for everybody because of my own - my own - what - how did they put it? My own - that I wanted to take over the union and become the national secretary and I explained to them - not the national secretary, the general secretary. I explained to these people in a very monosyllabic way that if I had wanted to take over this union, I would not have amalgamated with a branch that had 45,000 or 40,000 members when I came from a health professionals' branch of 4,000 members, and we went into the amalgamation, we did go in as minor parties because I had faith in the system.

I believed, and most people would believe, that when you take something to an organisation such as what I did in relation to Mr Williamson, that these people would look at it. I never, ever, imagined that reaction from a group of people that had just been so indoctrinated with how evil I and Marco Bolano and other delegates or other Victorian councillors were, and when they realised that it wasn't - there were some New South Wales delegates that were prepared to stand up and they were intimidated from that point onwards.

I found it quite distressing and at that point I just didn't know what to do. At that point I thought I just - you know, maybe should I just resign and leave it to them, but I knew that if - that's what they wanted.

And then during the break there was - there was a break at some point when I went out and some - I think it was a security guard from somewhere spat at me as well. I have never been spat at. To be spat at at a convention of health workers, I found quite distressing. And keep in mind - another thing you people need to keep in mind, if you look at the delegation, this is - the Health Services Union is a union that represents a predominantly female workforce because that's what good women do, they work in the health sector.

When you look at the make-up not just of that

delegation but of the executive of the Health Services Union, not just in the state but also federally, it's an organisation run by crusty men with entrenched power, and I find that as the first female national secretary that they all made a really big deal about at the time, but I think they expected that I was going to be their handmaiden and I was going to do as I was told.

There are other stories I can tell about that that I found quite distressing at the time.

There was a meeting held in Victoria post-amalgamation where the major item that people had been reprimanded for, staff were being reprimanded for, and officials were being reprimanded for, by Mr Williamson, was the fact that not enough organisers and officials had gone out to get members to go off payroll deductions from the employer and go on to payroll deductions with the union. My --

Q. Can you just explain the difference between those two categories?

A. Yes. Some organisations allow union dues to be deducted at the workplace. So if you're a member, say, at Jeremy Stoljar's Nursing Home - I don't want to call it anybody else's nursing home. If you're at Mr Stoljar's nursing and aged care facility, Mr Stoljar might allow his employees to fill out a form where the pay office at your workplace will deduct those fees out of your pay before they come to the union.

Mr Williamson believed that that was not a good way to do it because some employers - and this is true - some employers when there's a dispute on will withheld the payment of those dues to the union. So it was even safer for the union to have its members agree to have payroll deductions where the union would take the money out - their union dues out of their pay directly from their bank account and not the employer do it that way, and keep in mind that in Victoria when the Kennett Government was elected, that had occurred. The union lost payroll deductions overnight. So overnight the union went from something like 28,000 members to four paying dues because all the rest of the money came directly from the public hospitals because they were collecting it.

But my point in telling this, what happened at this meeting, it was a council meeting, Victoria were being told

off, and there was a dispute at the time at the Red Cross Blood Bank, and at the Red Cross Blood Bank the New South Wales - the Red Cross wanted a national agreement and the Victorians did not want a national agreement because our members would be losing out on - majorly losing out on paying conditions.

Mr Williamson at this meeting turned around to me, in front of everybody in that room, as if I was handmaiden and said, "I don't know what you're complaining about, these members are already signed up. Get in there and get out of there." I was quite shocked by this because regardless of whether you have one member at a workplace or 100 or 1,000 members at a workplace, their voice needs to be heard equally. But to add to that I said to him and others, and Marco Bolano was there, I said to him that it wasn't good enough; that, you know, the members - sorry, the organisers should not be spending their time going out to members and asking them for bank details when organisers have a very heavy caseload, as it is, representing members' interests. He then turns around to me and says, "It's all because of wogs like you that these people" - and that was not the word he used, the average man in the pub would use something beginning with an F - that, you know, "Your people can't read or write so therefore they can't fill out these forms and it's because of your type that these illiterates can't fill out these forms."

I was offended by this. I had never been called a wog in all my time. Not at school, not in my adult life or my childhood, except by my brother because we were allowed to do that to each other.

Q. Could you come to the table that you have included at page 31 of your statement. You set out there the number of members in HSUeast and the branch secretary is Mr Williamson. So Mr Williamson, by virtue of his position of branch secretary of HSUeast controlled votes on behalf of something like 54,000 members out of a total of 77,000-odd?

A. Yes.

Q. That's correct?

A. That's correct.

Q. And I think you said earlier - well, let me put it this way: how many members were in the old Victorian No 3

Branch?

A. About four, four and a half.

Q. Just explain how the membership correlated to votes on the National Executive?

A. Well, on the National Executive, there were 55 National Executive votes but the reality was that if you look underneath in the next little thing, "Note: National officials." So 1 to 7 were the national officials and then ordinary members of the Executive and it names them Peter Mylan, Lloyd Williams, Tim Jacobson, Rosemary Kelly, Zita Mitchell, Jorge Navas, Chris Panizza.

So what would happen would be that - and keep in mind that this is the National Executive. The National Executive was more like a secretariat. The National Executive was not - although it's the ultimate - ultimate governing body of the union or so - it's not really because we have autonomous branch rules. So each branch ran autonomously. They collected their own dues. Other unions don't have this structure, but the state branches in each state, and some states had more than one, they would run their affairs as they saw fit. The National Executive, though - this is how it was broken up, but generally there was not - if you go back and read the minutes of the National Executive going back, you know, to 2000 or go backwards, in my time at least, there was not any contested votes. The only - the only time there was disharmony in my time on the National Executive was over that resolution in relation to referring the matter to the police.

Ultimately that was passed unanimously, or so the minutes read, but understand how we got there, and - so, yeah, that's how the National Executive was broken up at that time.

Others will try to put a spin on this, particularly Mr Brown and his allies to say that he was marginalised and excluded, and what have you, but the reality is that if you look at the net - the month - sorry, the numbers - number of members, you know, Mr Brown in Tasmania, 7,978, Mr Williams 6,408, then we've got some that are 753, one has got 36 members, you know, Queensland has got 168 members, and, you know, the reality is that in a democratic organisation that, you know, if you've got 36 members or you've got 168 members, or you've got 7,000 members, then you've got - your vote gets a certain weight. You can't

expect that because you're part of an organisation that you will have an equal say regardless of what members you have, and I'm happy to expand that later in my statement and we'll get to that, I think.

Q. Could you come through to page 35 and you say there - well, paragraph 324 you say:

Prior to August 2011 ...

You had no recollection of being smeared in the mainstream media and then since 2011 you say you have been.

Do you mean by that that after you, what, appeared on the Lateline program that this started, is that what you're saying?

A. Yes.

Q. In 326 you say you got calls from journalists within a few days of the police complaint. So journalists rang you, what, saying that they had heard certain things?

A. Yes, they did. I had many journalists calling me over - until now, actually, this has been going on for three years now. I get continuously called and smears being put to me, attacks being put to me, particularly by the compliant part of the media. The ones that - you know, it's a bit like house of cards and, you know, Frank Underwood's underlings doing their bidding for people. But, anyway, in that - after I went to the police, I received many calls from journalists putting allegations to me and in - it became - some journalists would say, "So and so is saying this about you, is it true? We've got a dirt file on you. This has been peddled around town, what have you got to say to this?" I spent a lot of time where I would have to spend days on end defending myself to the media.

These articles were placed in the media by not only Michael Williamson, but Sussex Street, and when I talk Sussex Street, I mean the ALP, people like Bill Shorten, et cetera, and if we look at - in - I think it's in my tab --

Q. Well, without worrying about that, why don't we just focus on what you, yourself, have seen and heard. The key point to draw from that is that journalists started calling you after the police complaint with various allegations

that were being - someone was propounding to them, and you had to spend time rebutting those?

A. Lots of time. I even got a call - I'd be at work and I'd get a call from, say, the - this was from the Daily Telegraph to say, "I understand the police are raiding your house today. Where are you?" "I'm at work." "Well, can you prove you're at work?", and I'm like, "Well, who do you want to talk to? I'm at work", and then they'd ring back and say things like, you know, "Are you being arrested today?" and I'm like, "No, I'm not being arrested today or the day after that." So it was quite - I don't know the word. It was quite insane, I suppose.

Q. In paragraph 348 you say that Mr Brown laid disciplinary charges against you. What was the outcome of that issue?

A. Mr Brown laid disciplinary charges against me, and it's important to look at the date on when those charges were laid. They were laid in August of 2012 and that was just before the election was due. Mr Brown laid disciplinary charges against me without speaking to me. Those charges were - I found out about it from the media before I even received a copy from Mr Brown. Keep in mind Mr Brown was at the time the acting national president of the Health Services Union. Currently he's the - currently he is the acting national secretary of the union, and Mr Brown, I believed in the beginning, when I went to see Strike Force Carnarvon, and they asked me who could they talk to and who did I trust on the National Executive, my response to them was - because they wanted to talk to other people, obviously. My response to them was although I didn't trust any of them, I believed that Mr Brown and Mr Williams, because they were of the Left - what a big mistake that was - would be somebody they should talk to because they would do the right thing.

But when I did speak to Mr Brown, and this was in about March of 2012 and sought his support, because he was the acting national president at the time, and this was all, you know, going to hell in a hand basket at that point, when I spoke to Mr Brown and asked for his support, and wanting him to stand with me and not just make this or leave this as a HSUEast issue, that the national body needed to do something about this, Mr Brown's response to me was, "Look, I know that if anybody looks, that they will find that he's corrupt," but then he also went on to say, "I don't care what's happening in HSUEast, don't involve me

in this, this has got nothing to do with me and this is your fight to have."

And what's interesting to note is that from - I went to the police on 12 August 2010 - was that the 11th?

Q. September.

A. Sorry, September. Between the time that I went to the police and April - I think it was about 5 April of 2011, there was not one word, nothing. The convention had been held - sorry, let me start again.

Strike Force Carnarvon had been set up, Mr Brown was making allegations - sorry, that was after. Sorry. I'd gone to the police. The convention had been held. All the - there was all this publicity out there. Sydney Morning Herald, Kate McClymont's articles were out there. The members were asking questions. There was media saturation across from the nation about this.

Mr Brown, the ALP, the ACTU, not one of them at that point said anything. There was total silence - total silence by those other organisations.

Q. And what happened in April 2012?

A. What happened was in April - I think it was 5 April. Let me - on 5 April what happened was there was a huge press conference held by the ACTU. At that press conference the ACTU all of a sudden, out of the blue, decided that they had zero tolerance for corruption and at that point they would be suspending the Health Services Union from the ACTU because they were not prepared - as I said, they said it was zero tolerance for corruption.

What had happened, though, as I understand - and I know this - I know this actually happened. What had happened was that on the 4th, or just before 4 April, Strike Force Carnarvon had been talking to various staff members at the union, particularly Mr Hayes, and, at that point, Mr Hayes understood that there was no longer any prospect that Mr Williamson would be cleared by any investigation by Strike Force Carnarvon. So what happened then is Mr Hayes made a bee-line to Sussex Street where he informed his political masters that they had to get off this train wreck.

The ACTU then the next day had this sensational press

conference. All of a sudden they were interested in what was happening at the Health Services Union and, may I add, it's in my statement somewhere, that I had been to see Ged Kearney, I had been to see Jeff Lawrence and I had been to Tim Lyons at the ACTU where it wasn't just about this issue, we talked about other issues as well. But at this meeting when I raised - I told them what was happening, Mr Lawrence's response, who was secretary at the ACTU at the time, was that at least Norm Gallagher had built a house. That is how interested they were at that time, and for them to come out on 5 April, when nothing had changed. Strike Force Carnarvon hadn't finished their investigation, Fair Work Australia hadn't finished their investigation.

The only new thing that had come to light was that Gerard Hayes had been spoken to by Strike Force Carnarvon and as had happened with Mr Hardacre, Mr Hardacre wasn't successful in his attempt because they ended up destroying him, Mr Hardacre - sorry, not Mr Hardacre. Mr Hayes had gone to Sussex Street and told them that the game was up and they could no longer publicly support Williamson. The next day a raft of union leaders came out condemning Michael Williamson.

But if you go back and you read the media reports at the time and what happened at the time, nothing different had happened. There had been no public statement by anybody except, on that day, Strike Force Carnarvon had spoken to Mr Hayes.

After that even Mr Williamson came out and made public statements and soon after that Mr Brown - Mr Brown, who had not condemned Mr Williamson up until that point - was seeking Mr Williamson's resignation after that had happened. They then got the green light from their masters that Mr Williamson was going to be cut adrift and then their position was that they had to come after me at that point.

Q. Taking you back to paragraph 348, you say there.

... Mr Brown laid disciplinary charges ...

But we have now moved on to August 2012. Are those charges in volume 3 of MFI1, behind tab 38, page 889?

A. Yes.

Q. And were these charges put to you for comment before they were served on you?

A. Of course not.

Q. And you found out about them by someone from the media contacting you, did you?

A. Yes. I think it was - I think it was the ABC contacted me and wanted me to make a statement - to make a statement on these charges, and I did not - did not know what they were talking about and asked them to send me a copy, and I think I actually received a copy from the ABC before I received them from Mr Brown.

MR STOLJAR: I am about to --

THE WITNESS: Sorry, can I just briefly expand on this?

MR STOLJAR: Q. Yes.

A. Mr Brown has provided an affidavit to the Federal Court. I don't know if people understand this. Mr Brown and the National Executive have been pursuing me in the Federal Court on a range of matters, I'll just give you one example.

I sought legal advice from Toomey Pegg in relation to a Fair Work Australia finding against me. When I say "against me", in my office as national secretary and I just want to be very brief about this.

Q. Just before you do, we might have a think over lunch about whether that - if you are talking about evidence in other proceedings or potential evidence, whether that has actually been admitted into evidence before we discuss it too much here.

A. Okay.

MR STOLJAR: I was about to say, Commissioner, I'm about to come to the topic of governance of the Victoria No 3 Branch so that is a different topic.

THE COMMISSIONER: Yes. We will adjourn until 2 pm.

(Luncheon Adjournment)

UPON RESUMPTION

THE COMMISSIONER: Yes, Mr Stoljar.

MR STOLJAR: Q. Ms Jackson, could you come, please, to page 38 of your statement.

A. Yes.

Q. You're describing in this part of your statement the accounting system and financial records maintained at Victoria No 3 Branch. You say:

When I was first employed ... Ms Holt was the bookkeeper ...

So that's back in 1996?

A. No, I was first employed in 1992.

Q. I see.

A. I became the state secretary in 1996.

Q. Ms Holt was in that position right up until May 2010?

A. Yes.

Q. You say in 359 that Ms Holt kept paper accounting records. To your observation, can you describe what accounting records Ms Holt kept?

A. They were various - all the accounting records, but mainly they were arch-lever files and there were BAS payments, there were credit card payments or credit card statements with attaching documentation. There was - every document - every financial document that came into the organisation Ms Holt had folders for the relevant year and for the relevant record to be kept.

Q. So she kept paper and she also had MYOB, I take it?

A. Yes.

Q. In fact, you deal with that at paragraph 361?

A. Yes.

Q. You say that in October 2010 Ms Holt sent Mr Gibson some of the financial records, that's obviously after the merger has been implemented, and you say in 366:

I never specified any accounting treatment for any amount to the bookkeeper or the auditor.

What did you mean there?

A. Well, what I mean by that is that as far as I was concerned, I was at arms-length from the activities of the bookkeeper and the auditor, so I never directed them to treat a payment in any particular fashion other than how they would treat that with their normal accounting practices.

Q. In 365, you set out what you say were standing instructions. That was something you said to both the auditor and the bookkeeper from time to time, was it?

A. Yes, definitely. I've previously sat on boards and committees and my view was that whatever my role - my role is as state secretary but the role of the auditor and the bookkeeper was arms-length from me and the rest of the executive. They had a job to do and they were to do their job lawfully to comply with whatever standards were required of them.

Q. You mentioned an auditor. Who was the auditor of the No 3 Branch accounts. There was more than one, as I understand it?

A. There was an auditor early on and then some time in the mid-90s, I think, Mr Iaan Dick became the auditor of the branch, and then towards - I think in late 2008 or 2009, Mr Agostinelli became the auditor for the branch and he became the auditor of the branch after the National Office had put out expressions of interest for a new auditor for the national body and Mr Agostinelli, amongst others, had applied to become auditor of that branch, of the national body, and I then - the National Office decided to appoint a different auditor and coming out of that selection process, I then appointed Mr Agostinelli as the auditor of the No 3 Branch.

Q. You describe in 367 and following the systems pursuant to which cheques or EFT payments were either drawn or effected respectively. So the position is that Ms Holt would prepare cheques for your signature? Well, talk me through the process. How did a cheque come to be drawn?

A. Depending - it depends what time frame we're talking about, but early on there was lots of - many cheque payments because many organisations didn't have EFT payments at that time, but most cheques - whatever cheque had to be drawn usually Ms Holt would draw that cheque. It would then come to me to be signed and by another committee

of management member. Eventually that cheque would have a requisition or remittance advice attached to it, and that would be stapled and whatever receipt, applicable receipt, or what have you for that service was written for, that would then go into the folder that she kept.

Q. So she maintained cheque requisitions and the like and any authorities relevant to the cheque writing process in those folders as well?

A. Yes.

Q. Where did she keep those folders?

A. She kept those in her office.

Q. Can you just talk me through the auditing process. Did Ms Holt make available to the auditor the primary records that she'd maintained in those folders?

A. Yes. When an audit would occur annually, the auditor would set up in a boardroom or another large room for days on end. Ms Holt would take in - and I may or may not have been there. It depends on when it would happen. I would not take the time off from my day-to-day work to sit there with the auditor. All I knew was that the auditor would come on a particular day and leave on a particular day, but Ms Holt would take in the accounts and all the paper records to the auditor and occasionally when I would return at particular times, the auditor might ask me a question about a particular invoice, or could I find him - rather than him looking through all the minutes, could I direct him at which minutes to look at for a particular transaction and what have you.

Q. In 373 you say that Ms Holt also had a locked drawer in her office which contained a certain number of cheques?

A. Yes.

Q. Mr Yeates was one of the other signatories, you say?

A. Yes.

Q. You mean in addition to yourself?

A. That's correct.

Q. Mr Yeates, was he on the committee of management?

A. He was at various - he was assistant secretary but at various times he had different roles, and then he went on to be an official in the amalgamated branch as well.

Q. You say in 370 that regular bills and invoices were collected from the mail by Ms Lindsay and provided to Ms Holt for payment?

A. Yes.

Q. I take it that Ms Holt would, to your knowledge, keep things like bills and invoices as well in the primary records that she maintained in her office?

A. Yes. So any invoice or bill that arrived, Ms Lindsay would have a folder called the "Jane Holt Folder". Depending on how far away Jane was - like, coming into the office to do the accounts, if she'd just been, then Ms Lindsay would scan them and send them to her and then post them to her, and then Ms Holt would pay those remotely.

Q. You go on in 374 to talk about union credit cards.

A. Yes.

Q. There's been, in recent times, some allegations to the effect that you used credit cards for your own use, and I'm going to ask you some questions about that, but I just want to get a picture of first - and I'll come back to that - but I just want to get a picture first of the record-keeping process at No 3 Branch and then I want to find out what happened to those records. I will pass over those paragraphs just for the minute and come back to them. You say in 379 that Ms Holt prepared monthly financial reports?

A. Yes.

Q. For BCOM meetings?

A. Yes.

Q. BCOM is of course Branch Committee of Management?

A. Yes.

Q. The meetings were generally monthly, were they?

A. Generally monthly. Sometimes there wasn't a quorum or sometimes other things had taken precedent, but usually monthly but definitely quarterly. But if it was quarterly, those monthly reports would be generated and you might get three or two reports at the next meeting.

Q. Did you then take those reports to BCOM meetings?

A. Yes.

Q. Were they discussed?

A. They were definitely discussed and the members obviously kept those reports.

Q. You say that the reports - and this is in 380 - comprised a year-to-date profit and loss statement and a schedule of expenses. The schedule of expenses, as a matter of practice, would be looked at and approved or not by the BCOM at the meeting?

A. Yes, or they would ask questions about, you know, what does this mean, or what does that mean, what was that payment for.

Q. Did the BCOM ever express any concern or complaint about the record-keeping that had been maintained by Ms Holt, to your knowledge?

A. No. There had been occasion when early on - when I say "early on", a couple or maybe five, six years ago, that they wanted clearer reports and a different sort of presentation of how the MYOB file was presented, and that was instituted and given to them.

Q. Did the auditors who came annually make any criticism or complaint, to your knowledge, about the record-keeping that Ms Holt or the branch undertook?

A. No, quite to the contrary. The auditor was particularly impressed by Ms Holt's record-keeping and the meticulous way she kept her records and her folders because it was very - it was chronological and it was very detailed insofar as - say there was a Telstra bill, for example, or a credit card bill, that would be attached to the requisition. It would be stapled together, all the receipts would be attached, and the auditor found it very easy to go into the particular folder for that year and in chronological order pick out the statement that he was looking at.

Q. You say in 382 - you're dealing there with obtaining BCOM approval for expenditure. What was your practice with regard to obtaining approval from BCOM for particular items of expenditure?

A. My practice was, and as I've said in my statement, I attended many courses on union administration. As a young official, I attended a - it was a three-year - sorry, three week residential course on union management held at Currawong where we had many presenters but it was drummed in to us that, you know, you needed to have proper

disclosure with your branch committee of management and to minute everything, and I definitely minuted everything.

And can I add, folders of - unlike what we found - and that's why we were quite disturbed about what we found on amalgamation. When I ran the No 3 Branch, the accounts, the invoices, the folders, any cheque requisition was always available at any meeting for any member to look at without being hounded or without being harassed. If they wanted a photocopy of anything, it was there copied. If any member wanted to come and inspect the books there was no barriers put up to them. Any member was invited in to go through the office, because ultimately it's their office. We're the custodians of the union. I was - I didn't own the union, the committee of management didn't own the union, the members owned the union.

Q. In 388 you talk about the No 3 Branch, BCOM minute book. What's that?

A. I kept two - when I say two sets of minutes, I kept a minute book and there was a large hard-covered book, like - almost like those big diaries that you get a page to a day. I had a practice of putting in, as in gluing in, pasting in to that book all the committee of management meetings. I also kept an arch-lever file of loose minutes, the same minutes but a loose-leaf copy, to make it easier to photocopy if anyone ever wanted a copy of those minutes.

Q. Where did you keep the minute book?

A. The minute book was kept in my office. At that time in Park Street in South Melbourne, I had an office in the middle of the building. When I became national secretary, I had a different office at the front of the building but that remained - the No 3 Branch was still paying the lease for that office. On amalgamation, that office became Michael Williamson's office for when he came to Melbourne and that's where the minutes were kept.

Q. You then go on in 391 and following to deal with the auditor or Mr Dick, the auditor, and I think I've already asked you some questions about that auditing process.

Just picking up in 395, how did it work? Mr Dick would prepare financial statements. Did he ask you questions from time to time if the need arose?

A. Yes. Yes.

Q. And then provide it to you in final draft form. You'd then present the financial statements to the BCOM for approval?

A. That's correct.

Q. Would there be discussion about the statements?

A. Generally, there would be discussion about the statements, what our next step would be, because you would have to present them to two meetings, and then there'd have to be an annual general meeting or a quarterly general meeting where these statements were - sorry, they'd have to be sent out to the membership, put up on the website for the members to look at, and then finally they would be approved and the secretary would sign off on them and send them to Fair Work Australia.

Q. In 396 you say that there was long-term storage documentation at Grace Storage, and then perhaps come straight through to 404. You say that there was a flood. Did that affect the financial records or did that affect other records?

A. I don't believe it affected financial records, but it affected many records that the organisation held. There was the Labour Day or the Moomba long weekend and the boxes had been sitting there over the long weekend and when we arrived at work on Tuesday, it was just a total disaster. Like, we had to go out and buy gumboots and professional people had to come in with blower vacs and there was a problem about getting people to help because there were so many people unavailable to come and suck the water out of the carpet, but we saved as much as we could. We used lots of hairdryers, and what have you, to try and save as many documents as we could, but a lot of - many enterprise agreements, and what have you, were lost in that flood.

Q. Could you come to 407. You say:

On 28 October, I forwarded to Ms Holt, a request from Mr Gibson ... for ...

In effect, the No 3 Branch MYOB file. Was there a process of consolidation of accounts going on at that time?

A. There had been since the amalgamation and all of a sudden I found myself in a position where Mr Gibson thought it was my job to chase this up as the executive president of the branch when, in fact, as far as I was concerned, and everybody else was concerned at the time, that the

consolidation of these financial affairs of the union would take place between the financial officers and the bookkeeper and the auditors.

Q. You say in 409 that Mr Gibson requested - this is quite a while later - some more MYOB files and the like from Ms Holt?

A. Yes.

Q. So this was a request for electronic documentation. Had there been any request for hard copy documentation at that point?

A. I'm not sure but from - just from memory, I remember Ms Holt telling or saying to me that she had sent up to Sydney the physical - some of the physical copies of the accounts.

Q. Then you deal with hard copy materials being transferred to Sydney in paragraph 413. In 414 you say the document that you refer to - it's at tab 45 of your statement - explains the course of events by which Mr Mylan acquired all the records of the old No 3 Branch. Can we go to that tab.

Could we start at 943 in the top right-hand corner. There was a meeting of the HSUeast executive committee on 13 February 2012 and item 9 in the minutes deals with a request by the acting general secretary - this is on page 944 - for the bookkeeper to be provided with the MYOB information, together with supporting vouchers and the like?

A. Yes.

Q. And then the minutes on 944 record that you requested a personal statement be attached?

A. Yes.

Q. And you've included that at 945?

A. Yes.

Q. In 945 you say:

The proposed resolution for item 10 of the draft resolutions ...

In effect, seeks "to portray me as someone who needs to be compelled to produce records that I am withholding ...".

Are you referring there to item 10 at the base of page 944?

A. Yes. Keep in mind that this happened in the context where the branch had amalgamated, the records had always been available. The records were the records of the HSU East Branch. The records were not in my custody. I was not the custodian of those records. Those records belonged to the HSU East Branch, and I made it quite clear to Peter Mylan and others that no-one until that time had asked me to produce any such records; that as far as I was aware during that transitional period and during the consolidation period, that the records had been accessed and owned by, I suppose, the HSUeast. They were not my records, and I made it quite clear to them that for them to ask me - I was not their secretary or their typist or their office girl to go and get their records. They're their records and they should go and get them. They were not under lock and key in my office or anybody else's office. They were sitting in Michael Williamson's office in the Melbourne office.

THE COMMISSIONER: Mr Stoljar, I think about three answers ago Ms Jackson, in dealing with paragraph 1 of appendix A, said she was dealing with item 10 of the draft resolution circulated by Satya. Now, there must be some disconformity. That doesn't seem to relate to item 10 of the minutes on the previous page. It must relate to item 9. I think that's clear from the fact that the personal statement is appendix A to item 9. We can perhaps all consult the transcript later and see if there's any difficulty. I just draw that to attention as a possible source of confusion.

MR STOLJAR: Q. Is the reference --

A. Yes, that should be reference - sorry, that should be 9, yes.

Q. You were giving an account of your views in respect of these resolutions. Could I take you to page 949. Did you send a letter --

A. Yes, I did.

Q. -- about nine days after the meeting setting out your position in respect of what had occurred at the meeting?

A. Yes, I did.

Q. The letter that begins on page 949, that's a letter that you drafted, is it?

A. Yes.

Q. Paragraph 6 is headed, "My response to the resolution".

You say in the first dot point:

I am advised by Jane Holt, and verily believe, that all "separate Micro Pay and MYOB files" were provided ... in and following October 2011.

And to the best of your knowledge none was outstanding. That reflected your understanding at the time?

A. Yes.

Q. And then --

A. And more to the point, I never had physical custody of the MYOB file, or any of the computerised accounting records of the branch. They were always physically kept and maintained by the bookkeeper, and she tells me, and I believe her, that she provided all those records to Mr Gibson and the auditor.

Q. Then you say in the second dot point:

All remaining (physical) financial and accounting records of the Victoria No 3 Branch ... were boxed and dispatched by courier on 21 February ...

A. Yes.

Q. And that had occurred?

A. That had occurred.

Q. I'll come back to this later, but did you ever get a letter in response from the executive of the east branch challenging the factual propositions that you were making in this document?

A. No, I did not.

Q. Would you come to the third dot point. You say that there were some boxes of historical financial records of Victoria No 3 Branch in a commercial storage facility. Is that the Grace Brothers facility?

A. Yes.

Q. You say:

I have today instructed the facility operator to dispatch those barcoded boxes by courier ...

A. Yes.

Q. And that reflected what had occurred on that day?

A. Yes, because they had directed me to do that. Understand that Mr Mylan and - or whoever else - did not need to direct me to get these records from Grace Storage. They were their records to collect whenever they chose to.

Q. Even if that would be the case, you nevertheless did instruct Grace Brothers to send the documents to them?

A. Yes.

Q. The final dot point:

There are no other places that I am aware of where the Victoria No 3 Branch financial records are stored ...

A. That's correct.

Q. Then you go on to deal with events of 21 February 2012. In paragraph 8 in particular, you say:

Any suggestion that I or anyone else removed and or withheld relevant Victoria No 3 Branch documents that were in the South Melbourne office on 21 February 2012 ... is false.

Had anyone made that suggestion at that point?

A. Mr - on that morning Mr Hayes turned up announced, they said they were coming the following day, and while the boxing was occurring, Mr Mylan got on the phone and told me to stop removing - not to remove documents from the boxes, which I was doing nothing of the sort.

There was a box that had been lifted and the bottom had fallen out of it, and all I had done was bent down and pick up the folder to reconstitute the box and put it back in. The allegation that Mr Mylan was making, who wasn't

even there, he was on the telephone, was that I was trying to take records out of the box and told me that I would be disciplined if I didn't comply.

Q. In paragraph 10 you make the point, towards the end of that paragraph:

The many financial records of the Victoria No 3 Branch ... were, from the date of the amalgamation, stored like other records in the South Melbourne office and freely accessible ...

A. Yes.

Q. And then 11:

The old Victoria No 3 Branch records were always physically available to Barry Gibson and Mylan if they had bothered to come to the office and find out ...

Then you say in 12, in fact they did come to the South Melbourne office in late August or early September 2010?

A. I was not there when that occurred but when I got back to the office, I was informed by Frances Lindsay and other staff that the staff from New South Wales had come down to sort the office out, but keep in mind that the flood had occurred and there were boxes and boxes of material everywhere. It was almost like a building site because all the carpet had been lifted and we were working on concrete and all these blower heaters, and staff were concerned that what they saw was that they were just throwing out boxes without even looking in them and, as I said at the time, and as I said to Mr Williamson at the time, and to Mr Mylan at the time, that the chuckfest should not have occurred without staff going through each and every record and keeping what we needed. Lots of historical records were thrown out and who knows what else was thrown out.

Q. Just come back to that. We'll work our way through that. The first thing is this: you said you weren't there?

A. Yes.

Q. Where were you?

A. I was on annual leave.

Q. You came back and the staff said to you something like a chuckfest had occurred. What is a chuckfest?

A. A big skip had been brought in, as I understand, and boxes and boxes of material was just put on to this skip, old - as I understand, all the old minutes from, you know, the '70s and '80s and even before, photographs, historical photographs, posters, the campaigns that the union had held. Keep in mind that the pre-amalgamation, the Victoria No 1 Branch, in particular, was a very large branch that had archivists employed and had many staff, but, more importantly, every campaign we ran, every dispute we ran, had an allocated folder in this huge compendium that was held in the office. So lots of that material had disappeared.

Q. Then you say:

And I am waiting, wearily, for the inevitable accusation that I have destroyed records.

What did you mean by that?

A. I found it quite distressing that post me going to the police, and after Mr Williamson and others had said - and had come down to a staff meeting in Melbourne that they had complete confidence in me and that we were a unity ticket and there were no problems here, and all that sort of stuff, all of a sudden I'm bombarded with requests from Mylan to provide him with the records and, as I said, they were his records, they were not my records. In that intervening period between the amalgamation and me going to the police, they had unfettered - they were their records. So I said to Mylan, when I first found out about these requests, "I know what you're up to. You're trying to make out - make all these allegations against me, so you go to the media and paint me in a bad picture and, in particular, paint me in a bad picture amongst the membership."

Q. In paragraph 16 you say:

The preamble to the No 3 Branch Records Resolution asserts that "the auditors have requested on a number of occasions that Vic. No 3 records be provided to them."

Were you referring there back to - well, to what

resolution specifically were you referring to there?

A. Mr Mylan at some point had moved some resolution saying that the auditor had requested records. I then write back to Mr Mylan to say that it wasn't the auditor that was asking for these records and he should be upfront, it was him fishing and trying to make me look bad in his capacity as the acting general secretary at the time, and I also wrote to the auditor at BDO at the time, advising him that he shouldn't be writing to me, he should be writing to the branch.

Q. I won't go through every paragraph of this letter, but if you come to paragraph 27, you say that Mr Mylan's action, language and tone at the executive meeting of 13 February 2012 carried a clear suggestion that requests had been ignored?

A. That's right. He was trying to make out at that meeting that I'd ignored his requests for production of records and failed to produce records and I was withholding the documents. I made it quite clear at that meeting and at subsequent meetings that as far as I was concerned, the bookkeeper, Jane Holt, and the auditor at the time had given them whatever they required as they were their records, that I did not have anything to hide, and if you go back at some point - I invite the Commission to go back and read some of those resolutions of those meetings, it was an absolute farce.

They moved resolutions saying that there needed to be a forensic audit done in the Victoria No 3 Branch, which obviously I had no problem with, and I made it clear to them if you're going to have a forensic audit done on the Victoria No 3 Branch, there should be a forensic audit done on the HSUeast. They categorically refused to go down that path and what they said was that Mr Temby was already doing a review and there was no need for a forensic audit into the branch. Understand this, Mr Temby's review had a limited scope. He doesn't doing a forensic audit across the branch, and if they wanted to do a forensic audit, then they should do a forensic audit across the whole HSUeast and not just the No 3 Branch, and as I said to them at the time, I have no issue with them conducting a forensic audit but not when it was, as I knew it would be, something to go after me and, as we saw yesterday, that's exactly what happened.

Q. Would you come to paragraph 34. In effect, you're

saying that they could have got these documents if they just simply asked you for them?

A. Not only if they just asked me for them. They could have come to the Melbourne office, like they had on many occasions, gone into the office and got them and taken them back with them. They were their documents.

Q. In 35, you again point to resolutions and say or make the point that you face no public allegations that you had misused union credit cards in any particular way. Had there been some suggestion at that point that you had misused the credit card?

A. No. They were starting to make those allegations then I believe. I faced no public allegations that I misused credit cards at any particular time. What we were asking for, though, at the time was access to the credit card statements of Michael Williamson and the other officials of the HSU East Branch and that wasn't forthcoming.

Q. If you come to page 959, a few weeks later a letter was sent by Mr Mylan to the Victorian Police raising matters concerning yourself.

A. Yes.

Q. Just to make this point, that is the investigation that Vic Pol carried out which they've recently indicated they're not going to take any further action?

A. No.

Q. Was this the initiation of that investigation, to your knowledge?

A. Yes, it is.

Q. Mr Mylan wrote to Vic Pol on 20 March 2012 and he says a number of transactions require clarification. He sets them out in dot points. At the bottom of the page:

The payment of consultancy fees and
retainers when no details are available ...

And he makes a complaint to Vic Pol in the next page, page 960:

We are also yet to receive many of the
financial records ...

And he says:

The missing financial records include:

And sets out a whole series of dot points?

A. Yes.

Q. This was after the chuckfest that you have described?

A. Yes. And at no time did Mr Mylan come to me before writing to Chief Commissioner Lay to ask me about any of these transactions at any point. I found out about these - this police complaint once again from the media.

Q. I see. You told us before that there were charges brought against you under the union rules. That's a separate issue?

A. That's a separate issue.

Q. These were now allegations brought by Mr Mylan, as acting general secretary, to Vic Pol?

A. Yes.

Q. The complaints he made to you at that point were, as I understand it, that certain documents hadn't been provided. Is that the gist of it?

A. Yes. He kept on saying, "There's no allegations. There's no - we're not making any allegations against you. We're just concerned about some irregularities. We can't tell what you they are. We're still investigating." And, as I said, the first I became aware of the allegations was through the media once again.

Q. Six days later there is a meeting of the HSU executive committee. Page 970 is the agenda and then 971.

A. That's --

Q. Was that a note attached to the agenda?

A. Sorry, what number is it? What page are you on?

Q. 971.

A. 971. Sorry. Yes.

Q. This of course is after the complaint had already been lodged with the Victorian police?

A. Yes.

Q. Mr Mylan submitted a resolution to the effect of endorsing the acting general secretary's actions in

removing records from Victoria to New South Wales and also endorsing his notification of those matters to the Victorian police and Mr Temby?

A. Yes.

Q. The matter was dealt with in the minutes, page 973. A moment or two ago you made a point to the effect that the terms of reference for the investigation that was then being carried out by Mr Temby and others was limited. Did you seek an amendment to the resolution noting that or taking that into account?

A. Yes, I did.

Q. That amendment was not successful?

A. That amendment was definitely not successful. They kept on saying that Mr Temby was investigating and inquiring into the branch and I kept on - I and Marco Bolano kept on pointing out to them that Mr Temby and Mr Robertson's terms of reference were quite limited and that if they were going to be fair-dinkum about investigating financial irregularities in the branch, then they needed to expand what they were doing and appoint independent auditors, not their auditor, to investigate the affairs of the organisation.

Q. The following day, if I take you to page 976, you wrote to Vic Pol saying that:

It appears that Victoria Police is in receipt of a complaint from Mr Peter Mylan ...

And you set out the motion that had been moved on the previous day. So at this point you still hadn't seen the complaint that had been made to Victoria Police?

A. No. He refused to provide me a copy of the complaint. He claimed that he was waiting for some sort of clearance from the Victoria Police before he could show me a copy of the complaint that they'd sent to the Victoria Police.

Q. You say at the top of page 977:

That was the first occasion this matter has been brought to my attention.

Just going back, did you mean - when you said that you meant--

A. The fact that he'd written to the police.

Q. In paragraph 2 you're dealing with what occurred at the meeting the day before. Paragraph 3, on the top of 977, you say that was the first occasion. When did the media contact you?

A. I can't be exact about this. The media were contacting me constantly, even to this day, even as recently as yesterday, about these - allegation after allegation. I cannot be certain 100 per cent without going back and checking the media files that I've kept, but reading this letter now, I say in that paragraph 3 that was the first occasion this matter had been brought to my attention. So I suppose that's a contemporaneous note or letter from 29 March 2012, but just from memory, I do remember the media ringing me and putting these allegations to me, but I had no idea until that meeting that a letter to the Victoria Police had been sent.

Q. I see. So you'd received information from the media about the substance of the matters?

A. Yes.

Q. But it was at the meeting that you became aware that there had been communications with Victoria Police?

A. That's correct.

Q. And then just briefly, 979, the Victoria Police wrote back to you and said, in substance, in the final paragraph:

It is not appropriate for me to provide you with a copy of Mr Mylan's letter ...

A. Yes.

Q. And then in 985, 22 May 2012, Mr Mylan wrote again to Victoria Police. Did he put any of these matters to you first?

A. No.

Q. How did you find out about them?

A. I think from the media, from memory.

Q. I think I covered this before but, in a nutshell, the Vic Pol investigation concluded February 2014, roughly, earlier this year?

A. Yes.

Q. Vic Pol won't be proceeding with, or they indicated to you that they were not going to take any further action in respect of the matters that had been brought to their attention?

A. That's correct.

Q. If I take you back to page 985, subparagraph (x), that relates to a company called Neranto No 10 Pty Limited?

A. Yes.

Q. And some dealings that went on in March 1997 to October 1998?

A. Yes.

Q. So that was something that Mr Mylan, as acting general secretary, brought to the attention of the Victorian Police?

A. Yes.

Q. Without notice to you?

A. That's correct.

Q. And Victorian Police have decided that they won't take any further action about that matter?

A. That's correct.

Q. Is that one of the matters that has recently come to light? There's been some complaint raised about you in the media about that matter as well?

A. Yes.

Q. I'll come back to that. I asked you about a meeting on 13 February 2012. That was the meeting, the minutes of which are at 943. Item 9 is dealt with on page 6. Who prepared the minutes, by the way?

A. The minutes were always prepared by Michael Williamson's personal assistant, Satya Champness.

Q. Did you raise at this meeting the chuckfest that you said occurred?

A. I believe I did, yes.

Q. Did Mr Mylan agree that he or others had engaged in this chuckfest?

A. He said that I shouldn't have - I didn't - they went through all the records and they threw nothing out that

they thought was relevant. My understanding from that meeting, from what had happened, was the staff said that they indiscriminately just threw out boxes because they wanted a very tidy office, and I can tell you from the records that are missing, very important material, historical material, was thrown out by the organisation.

Q. Material is clearly missing, as we stand here today, and would that material have assisted you in meeting some of these complaints that have been raised?

A. Definitely. Definitely.

Q. Did you keep any audio record of the meeting of 13 February 2012?

A. I definitely did.

Q. Have you made at least part of that record of that meeting available to the Commission?

A. Yes, I have.

MR STOLJAR: Commissioner, I think we have available some audio of that meeting.

THE COMMISSIONER: What is the precise provenance of it though? I mean, is it a teleconference?

MR STOLJAR: Q. How physically did you go about making a record of the meeting?

A. I had a tape recorder - sorry, what do they call it, one of those little recording things on the desk in front of me. The meeting was I think, from memory, held at Tullamarine Airport. I think it was Tullamarine. Some people had come in from New South Wales, I can't be sure, but there were some people on the phone and there were some people at the meeting. But I think it's a very relevant meeting to listen to, it doesn't go for that long, or just sections where they talk about what actually happened at this meeting.

THE COMMISSIONER: Q. Your tape recorder was recording the sound of your voice and it was recording what could be heard from the telephone?

A. Yes.

MR STOLJAR: Q. Was the telephone on speaker?

A. Yes.

Q. Just go back to page 943. You say:

Attendances: Mr Hayes ...

That's Ms Seymour. Is that a Mr Hull?

A. Mr Bob Hull, Mr Marco Bolano, Mr Stuart Miller.

Q. Pausing there, they were in Sydney, were they?

A. I think - hang on a second. I think that was in Melbourne.

Q. I'm just trying to understand the words "via teleconference". Who was on the phone?

A. I think Mr Hull. I'm not sure. I think I was on the phone Bryan Yeates was on the phone, Marco Bolano was on the phone, and I think the rest may have been in Sydney.

Q. Where was Mr Mylan?

A. Mr Mylan, I think, was in Sydney. I'm not sure. Sorry, I just want to - just give me one moment. Just from memory, I think that - I think a meeting was actually in Melbourne and Mr Hull was on the phone from Sydney and everybody else was in Melbourne at Tullamarine at a conference room out there because they'd flown in.

THE COMMISSIONER: Q. So that you were in Mr Mylan's presence at Tullamarine?

A. Yes.

MR STOLJAR: Q. How physically did you cause the meeting to be recorded?

A. I had - not a tape recorder but one of those little recording devices and I put it on a desk.

Q. A dictaphone?

A. Not a - like a dictaphone, yes, like a little recording device. Like a thing that you talk into. Yes, you can use it as a dictaphone, yes.

THE COMMISSIONER: Q. But Mr Mylan could see that?

A. Everybody could see that.

Q. Except the person who was in Sydney?

A. Yes.

MR STOLJAR: Q. He was on speaker phone, was he?

A. Yes.

Q. You put the recording device on the desk in front of you?

A. Yes.

Q. Did you have any discussion about it?

A. No, but I made it quite clear to them that I wasn't going to be verbaled by them and that I was going to tape - I made it quite clear to them that I was going to tape the meeting because I knew what they were up to, because I had occasion to go back when I'd received minutes after meetings and then I'd read the minutes, and I don't think I've attached them here but I'm happy to provide them, minutes were provided and then I'd go back and check my recording and my recording did not match the minutes. So then I provided to Mr Mylan a copy of what had actually happened to them at the meeting compared to what he had said had happened in the meeting, compared to the minutes that he provided.

Q. Was that a matter, do you say, that occurred in respect of this very meeting or was that just something that happened from time to time?

A. This meeting and other meetings, yes.

THE COMMISSIONER: You want to have it played?

MR STOLJAR: From the evidence that's just emerged, it would appear that the relevant persons were aware of the recording of the meeting. I don't know whether Mr Irving wishes to make any submissions.

THE COMMISSIONER: Do you have any objection to playing this?

MR IRVING: I have no objection. I am familiar with the Surveillance Devices Act in Victoria and how it might impact on the matter, but it is a matter for my friend as to how he wishes to proceed. We have no problems with the tape being played at all.

THE COMMISSIONER: Thank you.

MR STOLJAR: As I understand it, there is --

THE COMMISSIONER: Mr Temby?

MR TEMBY: Commissioner, I am not at all acquainted with whatever the Victorian equivalent was at that time to what was our Listening Devices Act. I am reasonably well acquainted with the Telecommunications (Interception) Act and if the evidence of the witness is accepted, then the latter statute would not be of relevance. If there was at the relevant time a Victorian equivalent to the Listening Devices Act of this State, as it then was, then without having it in front of me, I apprehend that a recording which was made, of which recording the participants in the conversation were not aware and that, on the evidence of Ms Jackson, would extend to at least those who were at the other end of a telephone line, then such material cannot be lawfully recorded or utilised.

With respect, I don't know what happened at the meeting in question and I don't know whether or not it is of particular interest to the union I represent. I am not even quite certain whether the meeting had to do with the Federal union or the counterpart State union, but I rise because I apprehend that there might be a serious question that arises as to the lawfulness of recording the conversation or now playing the conversation, unless it be the case that the Commission is satisfied that all participants in the conversation were aware of the fact that a recording was being effected.

THE COMMISSIONER: If that is established, you don't think there is a problem with legality?

MR TEMBY: On the assumption that the Victorian legislation is like that which then prevailed in New South Wales, I think if all were aware, there would be no problem as to legality.

THE COMMISSIONER: Thank you.

MR TEMBY: I don't think, with respect, we're at that point.

THE COMMISSIONER: Do you want to say something, Ms Jackson?

THE WITNESS: Just in response to that, I made it quite clear to Peter Mylan and the executive that I would be taping conversations, particularly meetings, the same with the National Executive and this particular meeting is the

HSU East, it doesn't relate to the national body, and I made it quite clear to all those people that I would be taping meetings of the National Executive, the HSU East Executive, to protect my interests and the interests of other people at that meeting so that we would not be verballled by these people.

Q. Did you say that at the meeting?

A. I said that at that meeting and I said it at previous meetings. It was not uncommon. It was a situation where at future meetings where I was berated and kept on being asked am I taping this meeting and if I was I shouldn't be, and I can provide those recordings as well.

THE COMMISSIONER: Mr Stoljar? May I say that if there is a law of Australia that says you can't tape-record a meeting, part of which is telephonically structured, even though all present know it is being tape-recorded, the law would be an ass.

MR TEMBY: You would appreciate, Commissioner, I have not suggested that. My suggestion was that it may well be illegal to record a conversation if some of the participants in the conversation were unaware of the fact that the recording was being made --

THE COMMISSIONER: Yes, I understand your point.

MR TEMBY: -- it being irrelevant whether or not it was telephonic.

THE COMMISSIONER: Yes, I understand that point, I understood it the first time and the witness has given some evidence about that. Mr Stoljar?

MR STOLJAR: Just moving forward in small steps, Commissioner, as I apprehend it, there is a legal representative for Mr Mylan present in the Commission and it may be appropriate to ensure that someone on Mr Mylan's behalf may or may not wish to say something?

THE COMMISSIONER: Do you wish to contribute?

MR JAMES: Yes, Mr Commissioner. While I don't wish to make an objection at this time, I do note that without advance notice that this tape recording was to be played or the existence of such, and also noting the time at the

moment, I would request a moment to be able to seek some instructions on this matter. It might be appropriate that the afternoon break might be used for that purpose.

THE COMMISSIONER: We don't have an afternoon break but we can have one for that purpose now

MR JAMES: That would be appreciated.

THE COMMISSIONER: How long do you think it would take to get the instructions? Would it be a matter of five minutes?

MR JAMES: I would hope no more than that. In the event that I'm unable to get them in that time, I don't expect that much more time is going to give me that opportunity, but I think I can go and make some inquiries.

THE COMMISSIONER: If you can get them in a short time that would be good. If you can't it might be necessary to get them overnight. We will adjourn for five minutes.

SHORT ADJOURNMENT

MR STOLJAR: Mr Mylan's solicitor is still getting instructions. No, he is here.

MR JAMES: I have not yet been able to speak to Mr Mylan himself. However, at this stage, subject to what my learned friend Mr Temby has said today and subject also to that contained in the Practice Note in respect of the potential for later cross-examination or for submissions, we wouldn't be taking it further at this stage. We don't yet have instructions as to either the contents of the tape or instructions from the client.

THE COMMISSIONER: I think in view of the possible problems attending this question, we might stand it over until 10 o'clock tomorrow morning and return to it then.

MR JAMES: We are in the Commission's hands.

THE COMMISSIONER: Very well. Yes, Mr Stoljar.

MR STOLJAR: I am in your hands, Commissioner. Did you intend that the examination would continue on other topics or would we simply --

THE COMMISSIONER: Yes, I think if you have other topics let's deal with those topics and return to this tomorrow.

MR STOLJAR: Q. Ms Jackson, I skipped over one matter. We were working through your statement and that was the question of the union credit cards which you deal with at 374.

A. Yes.

Q. Can I ask you some questions about the credit cards. How many employees or officers of No 3 Branch held credit cards while you were the secretary of the branch?

A. I was the only officer and employee that held a credit card. At some point there was another employee that had an additional card that was off my card. That was only for a short period.

Q. What were the cards that you held?

A. There was a Diners Club card, a Commonwealth Bank Mastercard and a Citibank Mastercard.

THE COMMISSIONER: Something that occurs to me, Mr Stoljar, if we just consider paragraph 374 and following, as it were, in isolation, it is very difficult, where a witness is trying to defend that witness's conduct in relation to hundreds and possibly thousands of transactions, to deal with it globally unless one knows what it is that the critics of that witness contend were wrong. Maybe Ms Jackson can clarify this or maybe there's some letter of complaint somewhere or other in the papers, but we're not really getting to the heart of a particular concrete issue unless someone can point to some transaction which that someone says is outside power or criminal or something and then Ms Jackson can explain why it might not be outside power.

MR STOLJAR: Yes, that is certainly a difficulty, Commissioner. I was going to begin by simply establishing what the arrangements were, but I then might invite Ms Jackson to identify with more particularity what the complaint, as she apprehends it, is on this issue.

THE COMMISSIONER: Yes.

MR STOLJAR: I am just reminded that one of the witnesses yesterday, Mr McGregor, in his statement has some

articulation of what he contended was the problem:
paragraph 42 of Mr McGregor's witness statement dated
16 June 2014.

THE COMMISSIONER: He says that reimbursement amounted to
\$1.136 million, but he doesn't actually say that the whole
of that was tainted and he doesn't point to any particular
part of it that was tainted, at least not in paragraph 42.

MR STOLJAR: No.

THE COMMISSIONER: Tab 12 is a spreadsheet prepared by
Mr Bowker. That doesn't seem to be entirely in
synchronicity with paragraph 42. Maybe your modus operandi
is the best.

MR STOLJAR: May it please the Commission.

THE COMMISSIONER: Another approach would be for
Ms Jackson's critics to specify their criticism.

MR STOLJAR: The difficulty with Mr McGregor's evidence in
part is that, as I understood his evidence yesterday
afternoon, he released these matters to the media but
hadn't put them to Ms Jackson, so that Ms Jackson may never
have seen the spreadsheet to which he just referred and
would be endeavouring to deal with it, as it were, in the
witness box.

Q. I am not certain. Have you seen this?

A. No, I've never seen this before and may I add in
Mr McGregor's evidence yesterday he was --

THE COMMISSIONER: No, Ms Jackson, we'd better make sure
this is pretty relevant.

A. Okay.

Q. We don't want a general denunciation of Mr McGregor
right now.

A. People can go read Mr McGregor's evidence.

MR STOLJAR: Could I do this - I will endeavour to lay a
foundation and then see where that takes us, as it were.
I will do that firstly.

Q. I think I asked you simply, at this point, how many
credit cards were issued and you said three, Citibank,

Diners Club and a CBA Mastercard. Was that for the whole period 1996 through to 2010?

A. I'd say it was from 1992 there would have been one I think, but then when I became the state secretary, the others would have come online during that period at some point.

Q. These cards were issued in your name, were they?

A. Yes. One was - sorry, one was issued as a business card and the other two were issued in my name but they were union credit cards.

Q. What was the address on the --

A. The postal address of the union wherever we may have been at the time.

Q. Where were the monthly account statements sent?

A. To the union.

Q. Why were the cards issued in your name, not in the name, for example - do you know - No 3 Branch or the like?

A. Why were they issued in my name? They were issued in my name because, as I understood it at the time, when the bookkeeper came to me and asked me to fill - I asked exactly the same question and I was informed that these institutions would not issue names in the company but in the person's name, like the individual's name.

Q. Those three cards, what kind of expenditure - were you the only person who operated the cards, that is, actually incurred charges on those cards?

A. No, other staff members used the card. If they had to - filing fees in court, if they needed to book accommodation, if they needed to book travel, anything that needed a credit card to be used for, my credit card number was used for that.

Q. When you say "anything" do you mean for union purposes?

A. Yes, sorry, for union purposes, yes.

Q. What kind of expenditure was charged on those three cards?

A. Usually would be travel, accommodation, filing fees for court, sundry expenses, if there was any entertainment. There was Christmas parties. There was - what are they called? If we had to buy office supplies, things for the

office, like cleaning equipment, what have you, that card was used or those cards were used.

Q. Why three cards? Was there any division between the three? Was one used for one and --

A. No, not necessarily. It was because the Diners Club wasn't accepted at many institutions and my understanding from the bookkeeper was that because there were certain limits on the card and we didn't want to go over them, that we'd have two; just in case one wasn't paid in time in one month, we'd always have a card that worked.

Q. When you paid for a service on one of these cards over the period you were the branch secretary in 1996 through to 2010, did you keep supporting materials?

A. Of course I did.

Q. So invoices, receipts, vouchers, that sort of thing?

A. Yes.

Q. What did you do with those records?

A. I had a box in my office, like a shoebox, and every receipt went into that box. At the end of each month I would receive a statement from Ms Holt or the bookkeeper - sorry, not the bookkeeper, Frances Lindsay would. Depending if I had time or not, I would collate them myself, otherwise I would give the shoebox to either Frances or Jane and they would attach them. On occasion, sometimes when you get the credit card invoice there'd be a name but you've got to - it's not what you think it is. Like, they have different trading names to wherever you bought the item, so then I would handwrite on the invoice what that item was; so you'd put "stationery" or "filing fee" or whatever it may have been, "travel", et cetera.

Q. Did Ms Holt keep those hard copy records in the lever arch folders to which you made reference earlier on in your evidence?

A. Yes.

Q. Ms Holt prepared accounting records, summary and otherwise?

A. Yes.

Q. They went to the BCOM?

A. Yes.

Q. The BCOM examined those records and asked questions?

A. Yes.

Q. That included information re the credit card expenditure?

A. Definitely, yes.

Q. That information was all audited at the end of each financial year?

A. Yes.

Q. The auditor had available to him or her all of the primary records that you had first collated and then Ms Holt had placed into lever arch folders?

A. Yes.

Q. Asked questions if questions arose?

A. Yes.

Q. And thereafter prepared audited accounts?

A. Yes.

Q. That was the practice during the period 1996 through to 2010; is that right?

A. Yes.

Q. During the whole of that period did anyone from BCOM make any allegation to you to the effect that you'd misused your credit card, the credit cards, or charged the union personal expenditure or the like?

A. No, they did not.

Q. Did Ms Holt ever make that suggestion to you?

A. No, she didn't.

Q. Did the auditor ever make that suggestion to you?

A. No, he did not.

Q. When was the first time you heard of the allegation that you had run up \$1.3 million worth of personal expenditure on union credit cards?

A. The first time I heard of it was in the Fairfax press when they made these unsubstantiated allegations against me, being fed by Mr McGregor the story for Fairfax.

Q. When you say "being fed by Mr McGregor", is that something that you're saying because of his evidence

yesterday afternoon?

A. No, but at the time when the allegations - there were allegations earlier as well in relation to that "AB HINC", but I suppose we'll talk about that later

Q. Let's just focus on the credit card issue.

A. No.

Q. The short point is has anyone associated with what is now, subsequent to the de-amalgamation, again No 3 Branch put to you the proposition that you have misused your credit cards by incurring \$1.3 million personal expenditure on union credit cards?

A. No.

Q. Has that been put to you?

A. No.

Q. Can I take you to Mr McGregor's statement. I will need to provide you with a copy. I might have a spare. I'm hoping that doesn't have any markings on it, Ms Jackson; if it does, ignore them. Could I take you to paragraph 42. Mr McGregor describes - and this is in the second and third lines - "reimbursement on two credit cards that I understand were personal credit cards of Ms Jackson, one being a Diners Club, another being a Citibank Mastercard." They're two of the three credit cards. Were they personal credit cards of yours or were they in substance union credit cards although issued in your name?

A. They were union credit cards issued in my name. There were no reimbursements. They were never personal credit cards, as has been splashed across the newspapers. They were always union credit cards.

Q. In the final sentence it's described as "total reimbursement on the two personal credit cards." I think the word "reimbursement" carries with it the implicit assumption that expenditure was run up on personal credit cards and was reimbursed to you out of the funds of the union, but leaving that aside, taking those two cards, the Diners Club and the Citibank, with expenditure over the period, he seems to have picked it up from 1998-99 through to - I'm sorry, he says April 1998 through to May 2011, so 11 years or so. Would that be about right, that those two cards ran up expenditure of about 1.1, or you just haven't had a chance to check the records?

A. I've not had access to the records, let alone being

able to check the records. I have been requesting copies of the records since Mr Mylan made the first allegations, which are of this nature as well, and I've never been provided records from the organisation.

Q. While we're dealing with that issue, there have also been recently allegations surfacing about the company that I asked you about earlier, Neranto Pty Limited. The questions about Neranto were among the allegations that Mr Mylan raised with Victoria Police back in 2012?

A. Yes.

Q. What is Neranto?

A. Neranto No. 10 was a company my former husband had set up and I may - I just can't remember. I may have been a signatory or a director of it at a particular time, but it was a company that he had set up.

Q. Do you still have Mr McGregor's statement there?

A. Yes.

Q. At paragraph 43 he says he's collected material concerning payments made in the late 1990s and 2002 to a company known as Neranto No. 10 Pty Limited and then he includes the bundle of documents relating to Neranto behind tab 13. I will provide you with a copy of tab 13: this is from McGregor MFI1. Could we begin by going to page 253.

A. Yes.

Q. That's a company search for Neranto No. 10 Pty Limited. Its start date was back on 27 June 1994. It was deregistered in November 2008. You pick that up from towards the bottom of the first, page 253, and then you said that you were a director, on 256. The former directors are your former husband, Mr Jeffrey Jackson, and then that's your maiden name, I take it?

A. Yes.

Q. The shareholding is at 258. You and your former husband each had one share of the two issued shares?

A. Yes.

Q. You said to me a few moments ago that it was your husband's company. Did you mean by that he had day-to-day carriage of Neranto?

A. Yes.

Q. Was that something that you left to him pretty much as a practical matter?

A. Yes.

Q. Could you come to page 212. This seems to be the first invoice to which Mr McGregor makes reference, the first invoice in terms of time. It reads in the column headed "Description", "For industrial services provided to the Australian Health Professionals Association. Refer to form attached." Is the entity described as the Australian Health Professionals Association some earlier iteration of the No 3 Branch?

A. Yes, it was a trading name we used at the time.

Q. In 1997. You had been the secretary for a year or so by that stage?

A. Yes.

Q. It says, "Refer to form attached." If I come over to 213, some work was being done back in February 1997 through to March 1997 at \$32.74 an hour. This is a long time ago but do you remember the context in which that work was being done?

A. Yes, I do. At that time we required - keep in mind it was a small branch and from time to time we needed assistance and at that time we sought assistance from Jeff Jackson. He had previously been an official of the No 1 Branch and the Branch Committee of Management of the No 3 Branch decided to engage him to do some work for us in particular areas and I think just - I mean this is the first time I've seen these invoices for a long time. If you look at these, you know, Ballarat, Geelong, et cetera, they were services that he was contracted to provide to the union; the hours worked, the hourly rate. This was all approved by the Branch Committee of Management. As you can see from the documents attached, for example, 214, dated 18 April 1997, it details industrial consultation, with the invoice attached, the hours worked and that was approved by the Branch Committee of Management.

Q. I appreciate you've only just been shown these invoices and they relate to a period of 17 years ago or thereabouts, but do you have any recollection as to what the work actually was and if you don't, that's fine, but if you do --

A. Well, I don't from memory but just from looking at these invoices, I look at 226, in its description says:

Red Cross Blood Bank. Negotiations in relation to industry training outcomes. Ongoing negotiations in sector, particularly in relation to salary packaging, \$1,500.

Just from memory, we used Jeff Jackson's services for a period of time in areas that he was experienced in and as I said, there was nothing secretive about it. As you can see, here are the invoices. There's an attachment about how much - what the hourly rate was, what the travel arrangements were and you can at the bottom of the cheque requisition it's authorised by different officers. I can see from some of the these signatures at times it was Brian Yeates, other times it was me, other times it was Katherine Whitfield, a former president of the branch.

Q. If you come back to page 210, somebody, perhaps Mr --

THE COMMISSIONER: Mr McKenzie?

MR STOLJAR: Or Mr McGregor.

THE COMMISSIONER: Or Mr Bowker?

MR STOLJAR: Q. Or Mr Bowker has prepared a list of persons who have given authority. KJ is presumably you. "Kathy Whitfield" - who was she?

A. Katherine Whitfield was the president I think at that time in 1997.

Q. Bryan Yeates?

A. He was an official of the branch at that time. I'm not sure what position he held. He may have been a Branch Committee of Management member at that time, a trustee. I just can't remember, but these people were on the Branch Committee of Management.

Q. This is work done, some in 1997 and then it looks like some further work in 2002, so the most recent is about 10 years ago?

A. Yes.

Q. Was there any criticism or comment made about the work done, to you, by Ms Holt?

A. No.

Q. Was there any criticism or comment to you about the work done from the Branch Committee of Management at the time?

A. No, particularly now that I see, if you look at these cheque requisitions, the president at the time had signed off on them, not me, and I imagine if they'd had a problem, they wouldn't have signed the cheque requisition.

Q. Were you still married to Mr Jackson at the time, 1997-98?

A. Yes.

Q. He had worked in another branch of the HSU?

A. He had worked previously at the No 1 Branch, but at this time I don't believe he was.

Q. To your knowledge, would that have been - the relationship between yourself and Mr Jackson was that something that would have been known to Ms Whitfield or Mr Yeates?

A. I think it was known to all in the union movement, just not in my branch.

Q. You didn't hear any comment or complaint about it at the time and then 10 years later, in 2012, Mr Mylan reported the matter to Vic Pol?

A. Yes, he did.

Q. But you didn't find out about that until the media told you about it after the event?

A. Yes.

Q. Vic Pol decided it wouldn't take any further action in respect to the matter and it has now resurfaced again, but again, it hasn't been put to you; that's something you've found out through the media?

A. Yes.

Q. Could I ask you some questions about something else that's cropped up in the media and that's the question about the withdrawal of the sum of \$220,000-odd from the branch number 3 accounts.

A. Yes.

Q. Again, I'll just try and understand the factual position first. The BCOM met once a month or sometimes

once quarterly; is that right?

A. Yes.

Q. Was that the position throughout the period 1996 through to 2010?

A. Yes.

Q. Did the BCOM to your knowledge decide to be paid some sort of sitting fee or the like?

A. Yes.

Q. Was that a figure in the amount of about \$8,000?

A. Yes.

Q. It varied from time to time?

A. It varied from time to time. Sometimes it would be \$9,500, other times it could be \$6,000, other times it would be \$7,000, but up to \$9,500 I think it was.

Q. Was that recorded in the minutes?

A. Yes, it was.

Q. We don't have - for reasons that we've been looking at earlier and we may continue looking at - a full set of the minutes, but in any event your recollection is that from time to time the BCOM resolved what amount it would pay itself in terms of sitting fees?

A. The BCOM resolved that it would pay itself up to \$9,500 a meeting, depending on the needs of the organisation and what campaigns needed to be run or what was happening at the time.

Q. I want to show you some documents from an audit file. I am going to show you some pages from the audit file maintained by Mr Agostinelli. I've just given you volume 3 of the supplementary folders to Mr Agostinelli's statement. I'm going to take you to a couple of the tabs. Could you firstly go to tab E2.49 and that should be page 894. Down the bottom of that page Mr Agostinelli has recorded:

As per the minutes 25/02/10, an Honorarium and Training/Conference Allowance are to be paid up to \$9,800 per meeting to the BCOM. This will be paid by cash at every meeting that was attended.

I don't have the minutes but does that sound like an

accurate summary of some of the minutes of the BCOM?

A. Yes.

Q. Is that an increase on what had been paid at earlier times?

A. No. I think it was just up to - maybe it had been. I think it was - I just can't remember. There were previous minutes that talked about the honorarium, what it should be and up to what amount it could be.

Q. If you needed a larger copy, Commissioner, it's MFI4, page 9. The passage I was reading was from the same page. How did that actually work, Ms Jackson? Would someone withdraw that money in cash before the meeting or - just talk me through process?

A. Yes. What would happen would be that usually before a committee meeting, usually on that day, sometimes if a committee member or a signatory was available earlier it would be at an earlier time, but usually Bryan Yeates, who was the other signatory to the account, would come to the office before the meeting and we would walk down to the bank, depending on which office we were at the time, but in the later years at Park Street, South Melbourne, we would walk down to the Commonwealth Bank together and we would withdraw that money in cash. That money would come back to the office. When the committee arrived, at a certain point either I or Brian would hand out \$100 to each committee member for their attendance and keep in mind this was their honorarium. The Committee of Management decided that they would - that was their honorarium. They could have taken \$500 each, \$1,000 each, but they decided that the rest of the money would sit in a kitty and that was a little steel box that sat in - I had this cupboard in my room and that sat in there and the rest of the cash would be spent on various political purposes. If a member was in need they could apply for money and we'd give them say \$500 out of that account. If members were - or if committee members were wanting to pay for a conference, they'd get the money out of that as well.

Q. Committee members?

A. Yes. Yes. At various times, if members came in for say a rally or something like that and they needed to be reimbursed for their taxi fares, rather than - sometimes the union - they'd often write in and bring their receipts and Jane would then write out a cheque to them and we'd send them back, reimburse them by cheque, say \$20, \$30,

whatever the taxi fare was, but by and large it was easier to just reimburse them in cash when they came to these meetings because sometimes when the members missed, there was buses usually put on but when they didn't get the bus, they would get the cash out of the sitting fee, the honorarium.

Q. That arrangement whereby it was put into a kitty, as you called it, the steel tin or box in your room, was that something known to the BCOM?

A. Yes.

Q. Why did the BCOM - did they indicate to you or did any member indicate to you why they wanted to proceed in that way? Was there some explanation?

A. We proceeded this way - and this is in relation to the NHDA as well. Because we were a small branch we did not have the opportunity - when I say "the opportunity", we didn't - other branches and other unions set up re-election funds, or whatever you want to call them, where the staff would contribute a percentage of their wage to a re-election fund, but when you have seven employees or eight employees, that fund doesn't grow very quickly. So it was decided by the Branch Committee of Management that the honorarium that they could have legitimately collected would sit in this kitty to be spent on those items. When I say "those items", those different sorts of expenditure, be it a political campaign, be it a union campaign or be it a member in need.

Q. Let me just try to understand that a bit more precisely. The money could be deployed, what, for any expense - a travel expense, for example?

A. Yes.

Q. And it might be for, what, parking or something like that?

A. Yes.

Q. It might be to meet incidental expenses, as they arose, associated with members?

A. Yes.

Q. Could the money as you understood it be deployed for some non-union purpose?

A. It could be spent - say, for example, on a Friday afternoon, if the staff had put in a long week and there

was a big campaign, you might put \$300 on the bar at the local pub: that occurred.

Q. Did you use that money for personal matters, personal expenditure?

A. No, I did not.

Q. Did the BCOM ask you to provide some explanation or account for how that money had been spent from time to time?

A. From time to time we would talk about what campaigns we'd run and where money would be spent, yes.

Q. I am just trying to understand this as you tell it. You said I think that this as you apprehended it was a legitimate honorarium resolved or in respect of which a resolution had been passed by the BCOM and it was the BCOM itself that decided that the money would be allocated firstly by way of a payment of \$100 each and the balance into this kitty?

A. Yes.

Q. \$100 each, what did that reflect? Was there any particular magic to that figure? Was that just to cover parking or petrol or something?

A. No. Just to cover parking and petrol. It was discussed at various times by the committee whether it should be more or less and they agreed, they were happy to accept the \$100 and the rest could stay in the kitty to be used for political and/or other purposes.

Q. You mentioned I think that it was used for election purposes from time to time; is that what you said?

A. Yes.

Q. Could you give me an example?

A. Yes, I can give you an example. When I give you this example I just want to qualify it by saying I'm not sure whether it came out of this money or the NHDA money, but at various times we would be asked to pay for certain ALP membership and I would give cash to people like David Asmar, Diana Asmar, and what astounds me as I'm sitting in this witness box today is that these are the same people that are out there pedalling these things about me, but at various times, say, for example, at one time I gave David Asmar \$6,000 or \$7,000 and I remember - I can't remember the year but it must have been before

2007, because there was - I'd been at Bill Shorten's house and I was talking about how David Asmar had come to see me and he wanted this \$7,000 to pay for certain ALP memberships.

Q. I'm sorry, I'm not sure that I understand what you mean by "ALP memberships"?

A. ALP memberships means when certain people within the ALP pay memberships on behalf of the people I suppose they stack. I personally was not involved in branch stacking but I was involved in providing money to people that were involved in that. Mr Asmar came to see me and he wanted \$7,000, but on this particular occasion, I remember this clearly because that weekend Bill Shorten had a - sorry?

Q. Without worrying about what happened the previous weekend, just tell me about the meeting with yourself and Mr Asmar?

A. Mr Asmar collected the money, I gave it to him, and the reason why it's clear in my mind about this particular \$7,000 is because that weekend when I did speak to Mr Shorten about giving Mr Asmar the \$7,000, he laughed and said that he had also given him money and, you know, "The bastard must have double-dipped that week or that month." So that money was spent for ALP purposes. At different times money was spent out of the kitty, so to speak, for various local council elections, for ALP candidates. At other times it was spent - a lot of the time we spent a lot of the money on buying overnight bags because they're quite expensive and having a stockpile of overnight bags and paper and that was to be used in political campaigns and industrial campaigns.

Q. I think when you were reciting instances of persons to whom cash payments were made from their kitty, if I can call it that, you mentioned Diane or Diana Asmar. Was that a separate incident from the one that you were describing in relation to Mr Asmar?

A. Yes.

Q. What was that payment all about?

A. I imagine it was for the same purposes. Oh, when I say "same purposes", I don't - I think that was in relation to her when she was running for the Darebin Council and she was seeking support so she could I suppose print posters and put out material in that electorate; not "electorate", in that local council

election.

MR STOLJAR: I note the time, Commissioner.

THE COMMISSIONER: Yes. We will resume at 10am tomorrow.
Ms Jackson, could you make sure you're here in good time
for starting at 10.

AT 4PM THE COMMISSION WAS ADJOURNED TO THURSDAY, 19 JUNE
2014 AT 10AM