

Ashworth, Matthew

From: Roughley, Fiona [REDACTED]
Sent: Wednesday, 18 June 2014 4:50 PM
Subject: FW: URGENT LETTER FROM KATHY JACKSON [SEC=UNCLASSIFIED]
Attachments: Kathy Jackson Urgent Letter of 18 June 2014.pdf; 12_02_13 - HSUeast Executive - EXTRACT - Item 9 - Vic No 3 Branch record.mp3; Attachment.pdf

UNCLASSIFIED

Amanda,

Please trim.

Fiona

Fiona Roughley | Junior counsel assisting
Royal Commission into Trade Union Corruption and Governance

[REDACTED]
T: [REDACTED]

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From: Kathy Jackson [mailto:[REDACTED]]
Sent: Wednesday, 18 June 2014 9:10 AM
To: Roughley, Fiona
Cc: Southwell, Amy; Beaton, James
Subject: URGENT LETTER FROM KATHY JACKSON

Fiona

Sent on the instructions of Kathy.

For your urgent attention.

18 June 2014

Commissioner Dyson Heydon AC QC
Trade Union Royal Commission

Via

Mr Jeremy Stoljar SC
Senior Counsel Assisting

Dear Commissioner


1. I cannot afford solicitors otherwise I would solicitors write this letter.
2. I have two important requests that I make of the Commission in connection with the evidence I am to give today. And to alert you to particular matters that you may wish to have Counsel Assisting ask questions about. I apologise for the length of this note and seek your indulgence.

First Request – Please play a 9 minute extract of an HSU East Executive meeting re Vic 3 Branch records.

3. I ask that the Commission take the time to listen to an extract from a recording of a meeting of the Executive of HSU East Branch Executive (when Senior Counsel reaches that point in my statement). It lasts for 9 minutes only.
4. I understand that the sitting time of the Commission is a scarce resource and that you would not ordinarily spend it the time consuming exercise of listening to a recording of a meeting. However, I respectfully submit that you – and the public – need to get an appreciation of just how Kafkaesque and bizarre this union world is.
5. That extract, which accompanies this letter, happens to deal with a matter that is directly and centrally relevant to the evidence you have been hearing about the financial records of the Old No 3 Branch. It contains a segment of an HSU East Branch Executive meeting on 13 February 2012 when a resolution (**Attachment, p 1**) requiring me to produce the full financial records of the old Vic 3 Branch was considered. [Note that this occurred almost 5 months since I went to the police in which time there had been an effective silence from the National Executive, the ACTU, the ALP on the continuing state of corruption about which I was complaining publicly. Note also that the minutes are usually not accurate. In relation to one of the meetings I went to the trouble to move correction resolutions based on a recording of the meeting to ensure accuracy. Those corrections were rejected or amended and accurate minutes did not issue.].
6. I conscientiously believed (and say that an objective consideration of the circumstances demonstrates) that the making of that recording in which I was a major participant was not unlawful under the *Surveillance Devices Act 2007 (NSW)* because s.7(3)(b)(i) applied.
7. There is an evidentiary trail establishing that the subsequent malicious misuse of those documents has been the central foundation of a campaign of smear and attack against me that has been conducted relentless since 2012 on what may be described as an industrial

scale - including the most recent smears in relation to the NHDA and cash and credit card expenditure.

Second Request – Opportunity to address further smears following yesterday’s evidence

8. That brings me to my second request. If it does not interfere with your own plan of proceeding with your inquiry, I wish to say something in my evidence (either at the start, or at some other time convenient to Senior Counsel Assisting) about the media reporting of the evidence before the Commission yesterday.
9. I note that following the conclusion of his evidence, Mr McGregor address the assembled media and stated that the NHDA money involved me in “siphoning off” settlement monies that represented “the members’ entitlements”. That assertion is false and was not made in evidence before the Commission.
10. In fact, the resolution of the “Peter Mac” dispute was an example of the excellent industrial work done by the Branch on behalf of its members. A large number of members received a settlement in respect of outstanding entitlements. They received guarantees of security of employment and they received a new structure that benefited them in the future. In addition, the union, as a separate litigant in its own right, pursuing fines against the employer (as was its right), also settled for a sum that was properly payable to the union and had nothing to do with the entitlements of the members. The whole arrangement was approved by a meeting of affected members. Once again, the truth is inverted in a smear.
11. 
12. This is happening in real time and in the face of the Commission’s inquiry.
13. I attach those articles, published following the conclusion of yesterday’s evidence, each of which purports to report on the Commission’s proceedings but does so in a manner that smears me:
 - an article by Brad Norrington in *The Australian* entitled “Kathy Jackson approved shifting of \$284,000 in HSU funds, inquiry told” (**Attachment, p3**)
 - an article Ben Schneiders in the *Sydney Morning Herald* entitled “Workers’ underpayment settlement went to Health Services Union slush fund” (**Attachment, p5**)
 - an article by Tony Benns in the *Telegraph* entitled “Health Services Union whistleblower Kathy Jackson had access to \$250,000 of members’ entitlement money” (**Attachment, p7**)
 - the transcript of the ABC PM program segment (**Attachment, p11**)
14. I ask rhetorically, how could Mr Norrington’s report emanate from someone who had actually followed the course of the evidence? And this when Marco Bolano heard him discussing with another journalist how effective Mr Stoljar’s examination had been in exposing Mr McGregor. The other pieces are far worse.
15. Those sort of articles, in a group, do not get written by accident.

16. I have 20 years of experience in the cesspit that is union and ALP politics. I know how to smear. If required, I'm very good at it. I learnt the tactics and techniques at the feet of masters, including in my own particular case, Bill Shorten, with whom I was closely allied for a time. I know a good smear when I see one. That set of articles is a classic.
17. They represent the manifestation of what we in the cesspit refer to as ALP "poodles" - Journalists who depend upon access to sustain and advance their careers and who maintain friendly links with some key Labour player(s). They are encouraged to attack me and then they do. This is not conspiracy theory. I have observed this very process in operation over the years.
18. I would like an opportunity to comment on the smears in those articles.

Further matter

19. These events occur in a political context. It cannot be ignored. Unfortunately there is difficulty of proving the sort of facts that characterise the reality of the operation of the ALP factional system - facts that, while nebulous, are nevertheless accepted as facts in the community and are the subject of journalistic analysis, academic study, biographies and the like.
20. The continuing smear campaigning against me is happening because those responsible for it will not countenance the prospect that I might end up running Union, with the consequent loss of control over those precious ALP votes cast by the union's branches when they are affiliated. They have acquired other reasons along the way (vengeance, media strategy to deal with the political impact of Royal Commission etc).
21. I am filled with sorrow at what has become of the once great party that was the ALP. The ALP was founded by unions. It was sustained by unions. Most of its great leaders came from the shop floor. However, all that has changed. The Party has been captured by a factional system has come under the substantial control of a group of people who have no genuine commitment to the workers and, for whom, behaving unethically has become second nature. You could not find a more cynical and studied abuse of official power than Bill Shorten's intervention to have an administrator appointed to HSU East.
22. As an important aside, I respectfully trust that you recognise already that the primary significance of the AWU/Wilson/"another person" is not the offences that those persons committed or were knowingly involved in. As usual it is the cover up that matters most - a cover-up that allowed persons who were involved in those offences, or who participated in the initial cover up, to advance (with the forbidding support of the AWU) unto the offices of Prime Minister, Cabinet Minister and Opposition Leader and President of the Legislative Council of Victoria - in each case installed with the support of people (most especially Bill Ludwig) who knew the truth of what had occurred.
23. But this is not so fantastic as it may seem. Consider the mindset that allowed Mark Latham to tell the anecdote in the article at **Attachment, p14**. He admits in his own hand that he knew that Michael Williamson was corrupt and yet he, someone who was opposition leader, did nothing about it.
24. Or consider the remarkable the article of Graham Richardson **Attachment, p16**. He boasts about his wise counsel to Craig Thomson to settle with Fairfax and how, if only Thomson had listened to him, Thomson might not have lost his "promising" parliamentary career. But Richardson was confronting Thomson with the evidence that Fairfax had assembled that proved incontrovertibly that Thomson had used his union credit card on prostitutes! It is

clear that Mr Richardson was perfectly happy to see Thomson achieve his “promising” career – notwithstanding that he knew that Thomson had defrauded the members.

25. Indeed, there is an oral history from the former ALP Speaker of the Queensland Parliament (2006-2009) in which he comments on the re-affiliation of the AWU Queensland Branch to the ALP and how it brought the “return of corruption” to the ALP, that they were the “rorters” *par excellence* and that Bill Ludwig was “a stand over merchant”. The candour of an oral history. <http://www.queenslandspeaks.com.au/mike-reynolds> (at 1:12:45).
26. The factional warlords achieve their status – the power to decide (in combination with one another) who gets to enter Parliament, who becomes a minister, who gets to appoint their mate to the Federal Court of Australia – by ensuring that they control a union or unions and thereby control the casting of those union’s ALP votes. They install union leaders who are selected for their loyalty to the factional warlord. Often one can see positions being taken which are more concerned with protecting an ALP Government than advancing the interests of workers.
27. Whenever power or advancement is at stake, particularly when there is a contest between factions, or within a faction, ethics go out the window and Richardson’s famous formulation “whatever it takes” applies.
28. But all of the filth is protected by a cult like devotion to the principle that one must *never* cause adverse publicity to the union or the ALP by causing wrongdoing to be aired publicly. The examples made of those that depart from the cult’s rules are enough to cause the many good people working in the labour movement to avert their eyes.
29. The link between the unions and the ALP has become irretrievably malign and is poisoning both.
30. I am as well placed as anyone to address that issue in evidence before the Commission and invite you to explore these matters with me if you wish.
31. I do this because I believe in the importance of good and healthy unions and a strong and healthy political party that has a special focus on the needs and interests of ordinary working people. A number of unions, and the ALP, are afflicted by a form of structural corruption that that ordinarily operates out of public view that must be removed in the true best interests of working people and an ALP that actually embodies the “light on the hill”.
32. If you chose not to raise those matters for your own good reasons then I will, of course, understand and abide by your assessment. I recognise that there are other occasions for me to express my knowledge and views on these matters. I do not expect any response to this letter of request beyond such indication as Senior Counsel Assisting may be minded to give me in relation to his preference in respect of my requests.

Yours Sincerely

Kathy Jackson
National Secretary
Health Services Union

ITEM 9 - REQUEST FOR FORMER VIC NO. 3 BRANCH FINANCIAL RECORDS

The Acting General Secretary advised he had made a request on 15 December 2011 to Ms Jane Holt, Bookkeeper to the Former No. 3 Branch and currently Bookkeeper to the National Office to be provided with the MYOB for the financial years ending June 05, 06, 07 and 08 for the former Victorian No. 3 Branch, as well as advice as to who in the Branch had a Union credit card together with all the supporting vouchers for payments (cheque, cash, EFT) made in each year as outlined above, and the same in relation to all income received as well, and advised that such request has not, as yet, been complied with.

As the Executive Committee would be aware at the time of creation of HSUeast all the records of the former Vic No. 1 and Vic No. 3 became the property of HSUeast, and the auditors have requested on a number of occasions that Vic. No. 3 records be provided to them. The Vic No. 1 records have already been provided.

K Jackson requested that a personal statement be attached to the minutes. (Appendix A).

At the time of the clean up following the flood all financial records were stored in a separate part of the boardroom as we knew they would be needed later. As Kathy was on leave at the time of the cleanup she would not have known this however, this can be cooperated by Barry, Michael, Stuart, Peter and Frances.

RESOLUTION

Moved G Hayes/B Hull that the Executive Committee now directs in accordance with Rule 15 A (b) that the Executive President obtain the above mentioned records and provide them to the Acting General Secretary by the close of business on 20th February 2012.

Motion put and carried.

M Bolano abstained from voting and advised that he was concerned with the construction of the resolution.

ITEM 10 - REQUEST FOR DOCUMENTS CONCERNING DIVISIONAL SECRETARY, C GLEN

The Acting General Secretary advised that he received an email from the Executive President 21/1/2012 requesting access to Union documents relating to Carol Glen. The Executive Committee notes that Rule 13 of the HSUeast Rules invests it with a discretion to refuse to allow inspection of Union books and documents by a member where to do so would, or would be likely to, amount to a breach of confidentiality or an invasion of privacy in respect of any other member or person and having noted the Executive