

WITNESS STATEMENT

Reuben George DIXON

1. I am fifty-six years of age and live in [REDACTED]
2. Copies of documents to which I refer in this statement appear in a folder which has been marked **Reuben Dixon MFI-1**. Where in this statement a number appears in bold, that is a reference to the tabulated number behind which the document appears.

Background

3. I am a qualified diagnostic radiographer.
4. I have a Diploma of Applied Science in Diagnostic Radiography and a Graduate Diploma of Education. I am also a fellow of the Australian Institute of Radiography.
5. I was on Number 3 Branch (**No. 3 Branch**) Branch Committee of Management (**BCOM**) from late 1998 to ceasing May 2010.
6. Throughout that time, I was a member of BCOM and in the mid to latter part of my time on BCOM, I was a trustee.
7. My main role as a trustee was to make sure that No. 3 Branch's investments were invested ethically and not "put away". Overall, No. 3 Branch did not have very much money to invest. When the amalgamation took place to form HSUeast and HSU East Branch in May 2010, my memory is that No. 3 Branch only had about \$900,000 in cash deposit investments.
8. To the best of my recollection, I do not believe I was an accounts signatory.
9. I do not recall signing any authorisations.

General running of BCOM meetings

10. The BCOM would generally meet every month or every second month depending on whether it was required. Some of the meetings were cancelled due to a lack of quorum. Sometimes they would be held more often when, for example, there was a wages fight happening, usually in the public sector.
11. When meetings were cancelled due to a lack of quorum, a meeting would usually still go ahead, however there were no minutes of the meeting recorded, it was just a discussion.
12. BCOM meetings usually discussed matters, such as:

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- (a) Enterprise Bargaining Agreements (EBAs);
 - (b) staffing levels;
 - (c) reports from the Secretary, Ms Kathy Jackson (**Ms Jackson**);
 - (d) the general direction of the No. 3 Branch;
 - (e) reports from organisers, which were usually in writing;
 - (f) approving new and resigning members and discussion of trends; and
 - (g) Finance reports.

Retention of records

- 13. Last year I received a phone call from Detective Gary Jenkins (**Mr Jenkins**) at the Victoria Police. He was investigating some allegations against Ms Jackson.
- 14. Prior to this, I had already cleared out most of my No. 3 Branch BCOM files because I had renovations at home and I lost my storage locker at work because of renovations as well.
- 15. When Detective Jenkins asked for my documents I went back to see what I had retained. I gave him everything I had including the originals and I said to him words to the effect of, "Look, I don't need these. I thought I had thrown them out."
- 16. I indicated to Mr Jenkins that he could do as he pleased with those records.
- 17. In the course of preparing this statement I have been shown material that I believe is material that I gave to Detective Jenkins. They are the following documents:
 - (a) BCOM Minutes of Meeting held on Wednesday 9 April 2003. A copy of this document is located behind **Tab 1** of **Dixon MFI-1**.
 - (b) BCOM Agenda for meeting held Wednesday 14 May 2003. A copy of this document is located behind **Tab 2** of **Dixon MFI-1**.
 - (c) Annual General Meeting Agenda dated Friday 24 September 2004. A copy of this document is located behind **Tab 3** of **Dixon MFI-1**.
 - (d) Cash at bank document dated 31 May 2005 and Profit & Loss statement from July 2004 through to May 2005. A copy of these documents is located behind **Tab 4** of **Dixon MFI-1**.
- 18. I recall that about every second BCOM meeting we were provided with a profit and loss comparative document.
- 19. The BCOM worked on a rolling financial plan to see that we were solvent because No. 3 Branch did not have a great deal of money.


20. The details included monthly income, expenditure, forecasts for the next month and overall financial tracking. This document was prepared by the bookkeeper for No. 3 Branch, Ms Jane Holt (**Ms Holt**).

Financial discussions at BCOM meetings

21. At the BCOM meetings we would discuss any financial material and query items that were a bit out of the ordinary, for example, professional indemnity insurance premiums.
22. Ms Jackson would direct us to any expenditure.
23. I do not recall any specific items we may have queried, however, a number of examples have since been brought to my attention.
24. For example, rollover of vehicles was queried at BCOM meetings. The No. 3 Branch leased a number of vehicles for the organisers. These were rolled over on a yearly or three yearly basis, so there was usually one to discuss per year.
25. Another example is legal expenses the No. 3 Branch spent on matters before the Arbitration Commission. We always needed to have money available for legal matters.
26. I understood that the campaign expenses contained in the financials were for EBA campaigns as the No. 3 Branch never had contested elections while I was on the BCOM. The only EBA campaigns we had to fund were those run by the Electoral Commission when votes were required. These were expensive as mail outs were required.
27. I recall discussion at a BCOM meeting from Ms Jackson about the No. 3 Branch supporting two female Labor candidates in parliamentary elections and the committee resolved to give them about \$1,000 or \$5,000. It was seen to be within our role to support those candidates as our union was comprised of mostly female members. I recall that these two payments were approved at the BCOM meeting. I do not remember the names of the candidates, the year, the amount contributed, or how it was paid.
28. I do not recall any other discussion regarding donations for candidates in other union elections. I would have remembered if there was other discussion, as I am not politically aligned with any party. Also, I would have been against using No. 3 Branch funds for any other donations to candidates in elections for other unions.
29. In early 2000, the BCOM would occasionally approve the payment of some of the Number 1 Branch's accounts as they were short on money. For example, because we used their building we would pay their bills instead of paying rent. Ms Jackson and Ms Holt would be able to explain these arrangements.

National Health Development Account (NHDA)

30. The name "NHDA" does not mean anything to me. I do not recall any specific account names.
31. I am aware of a specific payment we received from the Peter MacCallum clinic (**Peter Mac**) Ms Kate Wilkinson (**Ms Wilkinson**) has recently contacted me to remind me of this payment after I was contacted by reporters at The Age. The reporters also asked me about the NHDA.
32. After my discussion with Ms Wilkinson, I now recall that No. 3 Branch received a payment from Peter Mac. I believe it was a settlement payment or some kind of payment which was made following the underpaying of their staff for a long period of time. However, I really cannot precisely recall what the payment was for.
33. I do not recall any details of the Peter Mac settlement.
34. When Ms Wilkinson informed me of it, I said, "*Oh, yeah, I remember that there was a deal done, which settled that case.*"
35. The Arbitration Commission may not hold the records of the settlement as it is my recollection that it was settled outside of the Commission.
36. I do not recall the amount of the settlement, but I believe it may have been about \$160,000.
37. It was my belief that after the money was paid to No. 3 Branch, Ms Jackson put it into an education fund, however I cannot be sure of this. I cannot recall the details, how it was set up, or who was signatory to the fund.
38. I recall discussion at a BCOM meeting that the settlement money would be invested into a fund for research purposes, as the payment represented a large part of our assets.
39. This is because when I joined BCOM in 1998 we had next to no money and no staff. When I left BCOM in 2010 we only had about \$900,000, and therefore, I recall the discussion about the Peter Mac settlement because it was such a large amount in the context of the No. 3 Branch's finances.
40. I do not know if the money was ever put into such a fund.
41. This discussion should be noted in the minutes of BCOM meetings, however I do not have those records. When the merger happened, Mr Peter Mylan (**Mr Mylan**) and Mr Michael Williamson (**Mr Williamson**) wanted all of the records sent to Sydney. I assume they were all sent to Sydney, so they should have the records.
42. I do not know what has happened to the Peter Mac settlement money since it was discussed. I imagine it has been sitting in an account collecting interest for our use.

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43. The accounts I relied upon for my information were those provided by Ms Holt. I cannot recall seeing any bank statements that detailed what accounts there were or where they were held.
 44. As the trustee for the No. 3 Branch I did not have any visibility on the investment account the union held. I only gave guidance as to where the money should be invested. Once it was in an account, it was no longer visible to me. As far as I was aware, the investments were in term deposits. No. 3 Branch had no investments in shares or property. I would expect that once the money was in the term deposit it would remain there.
 45. I recall there was an item in the financials to say how much cash we had, and I believe that was across about three accounts. I do not recall what these accounts were called. We really did not have much money to play with.
 46. I would generally expect that any single item of expenditure greater than about \$5,000 would at least be itemised and raised at a BCOM meeting, that is, if it was other than a regular payment, for example, wages or payroll tax.
 47. If there was a payment of \$60,000 from a No. 3 Branch account to a non No. 3 Branch account, then I would expect that to come to the BCOM for approval.
 48. If it had been a payment for rent, indemnity insurance, salaries or other normal payments it may not have been looked at. However I would expect anything else to be put to BCOM. For example, campaign expenditure for lawyers and consultants came to BCOM for approval but I cannot recall any specifics of these transactions.

Audited accounts approval by BCOM

49. When the audited accounts for the year were presented to BCOM we would go through and have a look at the Auditor's Report.
50. There was next to no discussion. We went through it, had small discussions on any issues and just signed it off. Ms Jackson would take the meeting through the report.
51. The audited accounts were then signed off by Ms Jackson and the president, Ms Wilkinson.
52. I believe a brief summary was sent out to members of the audited accounts for the year. I cannot recall the exact details it contained except that it showed the overall finances of the union and not specific expenditure. In this context I do not think it was really meaningful.
53. It was my recollection that No. 3 Branch tended to rotate auditors every second year, however it has been brought to my attention that the same auditor was engaged between 2004 and 2008 and this was Mr Iaan Dick (**Mr Dick**).

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54. To the best of my recollection BCOM members were given the preliminary audited accounts from the auditor prior to the meeting, however may not have happened every time.
 55. In my opinion, I took the most interest in the finances of No. 3 Branch, out of the members of BCOM, and I asked the most questions relating to the financial material before the BCOM. Mr Stephen Sigimondi also took an interest although he was not on the BCOM for much of that period.
 56. Questions I would ask were usually based on the running balance sheets and in words to the effect of, "What are we doing? Why are we spending so much on this salary or rent, electricity? Why have we got this expense changed from last year?"
 57. The running balance sheets were the best way to follow where our spending was going. I would specifically look at the list of items of expenditure for the year and would compare it to the previous year.
 58. I could also see what money was coming in from membership fees as it was difficult to keep track of throughout the year as some members paid yearly and some quarterly. In some months there would be a large amount coming in then nothing the next month.
 59. So I relied heavily on being able to compare the year to year amounts in the same document.

Opinion of financial reporting at No. 3 Branch

60. On some occasions I recall not being happy that we did not receive a financial statement to look at during the BCOM meetings.
61. We might only get a statement at every second meeting and often did not get them in advance.
62. I believe I raised this issue initially, but it became normal.
63. There were various excuses as to why a financial statement was not provided. We would be told Ms Holt was sick or that by reason of an illness it was not available.
64. In hindsight it would have been better and certainly more helpful to have had more information at the time.

SIGNED:


REUBEN GEORGE DIXON

DATED this 5th day of June 2014