

Annexure A

BDO Kendall Schedule A (Pages 9-10/26 of the BDO Kendall Report.)

ATM Cash Withdrawal Transactions Commonwealth Bank Mastercard – Mr Craig Thomson
Schedule A covering the period 13th April 2007 24th November 2007.

Schedule of ATM Cash Withdrawal Transactions
 Commonwealth Bank Mastercard - Mr. Craig Thomson
 Card No.: 5587 0131 6388 0019

Schedule A

Date	ATM	Amount
12/02/2007	NAB ATM KINSTON NEWSAGENCY	500.00
12/02/2007	NON CBA ATM CASH ADV CHARGE	1.50
16/02/2007	WESPAC WALES CNR 2 MELB	500.00
16/02/2007	NON CBA ATM CASH ADV CHARGE	1.50
26/02/2007	STG ATM ST GEORGE BATEAU BAY	300.00
26/02/2007	NON CBA ATM CASH ADV CHARGE	1.50
27/02/2007	SHP 1/2,6 HONEY PO HUNTFIELD	500.00
27/02/2007	NON CBA ATM CASH ADV CHARGE	1.50
06/03/2007	CBA ATM RUNDEL MALL D SA	300.00
06/03/2007	CBA ATM CASH ADVANCE CHARGE	1.25
08/03/2007	CBA ATM MBL KILLARA NSW	500.00
08/03/2007	CBA ATM CASH ADVANCE CHARGE	1.25
22/03/2007	STG ATM LVL 1 O'CONNELL SYDNEY NSW	500.00
22/03/2007	NON CBA ATM CASH ADV CHARGE	1.50
27/03/2007	ANZ ATM FORRESTERS BEACH	500.00
27/03/2007	NON CBA ATM CASH ADV CHARGE	1.50
04/04/2007	WESPAC TERRIGAL	500.00
04/04/2007	NON CBA ATM CASH ADV CHARGE	1.50
04/04/2007	CBA CENTRAL MELBOURNE	500.00
11/04/2007	CBA ATM CASH ADVANCE CHARGE	1.25
13/04/2007	NAB PITT ST NSW	400.00
13/04/2007	NON CBA ATM CASH ADV CHARGE	1.50
16/04/2007	ATM GIRRAWEE	500.00
16/04/2007	NON CBA ATM CASH ADV CHARGE	1.50
20/04/2007	ANZ GOSFORD NSW	500.00
20/04/2007	NON CBA ATM CASH ADV CHARGE	1.50
29/05/2007	CBA MID CITY CTR NSW	500.00
29/05/2007	CBA ATM CASH ADVANCE CHARGE	1.25
04/06/2007	ANZ ATM FORRESTERS BEACH	500.00
04/06/2007	NON CBA ATM CASH ADV CHARGE	1.50
12/06/2007	STG BATEAU BAY NSW	500.00
12/06/2007	NON CBA ATM CASH ADV CHARGE	1.50
14/06/2007	ANZ ATM 68 PITT ST SYDNEY	500.00
14/06/2007	NON CBA ATM CASH ADV CHARGE	1.50
19/06/2007	ANZ ATM PITT ST NSW	500.00
19/06/2007	NON CBA ATM CASH ADV CHARGE	1.50
19/06/2007	CBA BATEAU BAY NSW	500.00
29/06/2007	CBA ATM CASH ADVANCE CHARGE	1.25
16/07/2007	ANZ ATM TOURLEY	500.00
16/07/2007	NON CBA ATM CASH ADV CHARGE	1.50
26/07/2007	WESTPAC ATM CARRINGTON NSW	500.00
26/07/2007	NON CBA ATM CASH ADV CHARGE	1.50
03/08/2007	ATM QANTAS - SYDNEY	500.00
03/08/2007	NON CBA ATM CASH ADV CHARGE	1.50
14/08/2007	CBA ATM BAY VILLAGE NSW	500.00
14/08/2007	CBA ATM CASH ADVANCE CHARGE	1.25
21/08/2007	ANZ ATM QANTAS	500.00
21/08/2007	NON CBA ATM CASH ADV CHARGE	1.50
23/08/2007	CROWN CASINO	500.00
23/08/2007	NON CBA ATM CASH ADV CHARGE	1.50
13/09/2007	ST GEORGE GEORGE ST NSW	500.00
13/09/2007	NON CBA ATM CASH ADV CHARGE	1.50
20/09/2007	ST GEORGE GEORGE ST NSW	300.00
20/09/2007	NON CBA ATM CASH ADV CHARGE	1.50
20/09/2007	CBA ATM WYNARD	500.00
20/09/2007	CBA CASH ADV CHRG	1.25
01/10/2007	CBA ATM BAY VILLAGE NSW	500.00
01/10/2007	CBA CASH ADV CHRG	1.25

Schedule of ATM Cash Withdrawal Transactions
 Commonwealth Bank Mastercard - Mr. Craig Thomson
 Card No.: 5587 0131 6388 0019

Schedule A

Date	ATM	Amount
08/10/2007	CBA ATM TERRIGAL NSW	500.00
08/10/2007	CBA CASH ADV CHRG	1.25
09/10/2007	CBA ATM EASTERN BCH C	500.00
09/10/2007	CBA CASH ADV CHRG	1.25
16/10/2007	CBA ATM BAY VILLAGE NSW	500.00
16/10/2007	CBA CASH ADV CHRG	1.25
22/10/2007	CBA BATEAU BAY NSW	500.00
22/10/2007	CBA CASH ADV CHRG	1.25
30/10/2007	CBA BATEAU BAY NSW	500.00
30/10/2007	CBA CASH ADV CHRG	1.25
01/11/2007	AAMI GOSFORD	500.00
01/11/2007	NON CBA ATM CASH ADV CHARGE	1.50
05/11/2007	CBA BATEAU BAY NSW	500.00
05/11/2007	CBA CASH ADV CHRG	1.25
12/11/2007	CBA BATEAU BAY NSW	500.00
12/11/2007	CBA CASH ADV CHRG	1.25
14/11/2007	NAB KILLARNEY VALE	500.00
11/11/2007	CBA CASH ADV CHRG	1.25
		<u>102,034.45</u>

000095

Annexure B List of Reviews completed since 2007

List of Reviews completed since 2007

Year	Party/Entity
2007	Australian Labor Party - National Secretariat
2007	Australian Labor Party - NSW Branch (part 1)
2007	Australian Labor Party - NSW Branch (part 2)
2007	Australian Labor Party - NSW Branch (part 3)
2007	Australian Labor Party - NSW Branch (part 4)
2007	Australian Labor Party - Tasmanian Branch
2007	Australian Labor Party - Victorian Branch (Parts 1 & 2)
2007	Australian Labor Party - Victorian Branch (Part 3 & 4)
2007	Liberal Party of Australia - Federal Secretariat
2007	Liberal Party of Australia - NSW Division (parts 1 & 2)
2007	Liberal Party of Australia - NSW Division (part 3)
2007	Liberal Party of Australia - NSW Division (part 4)
2007	Liberal Party of Australia - SA Division Part 1
2007	Liberal Party of Australia - SA Division (Parts 2 & 3)
2007	Liberal Party of Australia - SA Division
2007	Liberal Party of Australia - Tasmanian Division
2007	Liberal Party of Australia - Victorian Division Part 1
2007	Liberal Party of Australia - Victorian Division Part 2
2007	National Party of Australia
2007	The Australian Greens - Tasmanian Branch
2007	Bunori Pty Ltd
2007	John Curtin House Ltd
2007	John McEwen House Pty Ltd
2008	Australian Greens
2008	Australian Labor Party - National Secretariat
2008	Australian Labor Party - SA Branch (Part 1)
2008	Australian Labor Party - SA Branch (Part 2)
2008	Australian Labor Party Queensland (QLD) - PART 1
2008	Australian Labor Party Queensland (QLD) - PART 2
2008	Australian Labor Party Queensland (QLD) - PART 3
2008	Australian Labor Party Queensland (QLD) - PART 4
2008	Liberal Party of Australia - Queensland
2008	Liberal Party of Australia - Queensland
2008	Liberal Party of Australia - Queensland
2008	Liberal Party of Australia - Queensland
2008	Liberal Party of Australia - Queensland
2008	National Party of Australia
2008	National Party of Australia (NSW) - Part 1
2008	National Party of Australia (NSW) - Part 2
2008	National Party of Australia (NSW) - Part 3
2008	National Party of Australia (NSW) - Part 4
2008	National Party of Australia (NSW) - Part 5
2008	National Party of Australia (NSW) - Part 6
2008	National Party of Australia (Queensland) - Part 1
2008	National Party of Australia (Queensland) - Part 2
2008	Queensland Greens
2008	The Greens NSW (Part 1)
2008	The Greens NSW (Part 2)
2008	6 St Pauls Terrace Trust
2008	Altum Property Trust

2008 ALP Holdings Pty Ltd (SA)
2008 Bass 200 Club
2008 Bayside Forum
2008 Bjelke Petersen Foundation Trust
2008 Blue & White Committee (Victoria)
2008 Canberra Labor Club (Part 1)
2008 Canberra Labor Club (Part 2)
2008 Canberra Labor Club (Part 3)
2008 Casey Business Briefing Club
2008 Cormack Foundation Inc.
2008 Curlew Nominee Trust
2008 Deakin Executive Forum
2008 Enterprise 200 Club
2008 Forward Brisbane Leadership
2008 Higgins 200 Club (Part 1)
2008 Higgins 200 Club (Part 2)
2008 Indi Foundation
2008 John McEwen House Pty Ltd
2008 Kaye Sutherland Memorial Bequest Fund
2008 Kooyong 200 Club
2008 Labor Holdings Pty Ltd
2008 Lady Wilson Foundation
2008 Libco Pty Ltd
2008 Menzies 200 Club
2008 Monash Club
2008 Murray 250 Club
2008 Northwest 200 Club
2008 Parliamentary Liberal Party Communication Committee
2008 Platinum Forum (formerly: Outer Eastern 200 Club)
2008 SA Progressive Business
2008 Supporters for Re-electing Kotsiras
2008 The 500 Club (VIC)
2008 The Jim Killen Young Liberal Foundation
2008 The Page Research Centre Ltd
2008 Violet Bobin Trust
2009 ALP (NT)
2009 ALP (TAS)
2009 ALP (VIC)
2009 Greens (NT)
2009 Democrats (WA)
2009 Democrats (ACT)
2009 Australian Greens (Tas)
2009 Australian Greens (Vic)
2009 Citizens Electoral Council
2009 Family First (Vic)
2009 Australian Greens (ACT)
2009 One Nation (Qld)
2009 One Nation (Vic)
2009 National Party (WA)
2009 Harold Nelson Holdings Pty Ltd
2009 ALP Sisterhood
2009 Emily's List Australia
2009 AADB Pty Ltd

2009 ALP (NSW) Gifts Pty Ltd ➤
2009 CEC Australia (Services) Pty Ltd
2009 Citizens Media Group
2010 ALP ACT
2010 ALP QLD
2010 ALP QLD
2010 ALP QLD
2010 ALP QLD
2010 ALP QLD
2010 Family First - SA
2010 National Party SA
2010 LPA NSW
2010 LPA NSW
2010 LPA NSW
2010 LPA NSW
2010 LPA NSW
2010 LPA NSW
2010 LPA NSW
2010 Socialist Alliance
2010 Socialist Alliance
2010 LPA - Victoria
2010 LPA - Victoria
2010 LPA - Victoria
2010 LPA - Victoria
2010 The Greens (WA) Inc
2010 Country Liberals
2010 Country Liberals
2010 Progressive Business
2010 Friends of Indi
2010 Violet Bobbin Trust
2010 Chifley Research Centre
2010 ALP Legacies & Gifts
2010 John Curtin House
2010 Labour Movement Education Assoc
2010 Perth Trades Hall
2010 Don Chipp Foundation
2010 Kooyong 200 Club
2010 Parliamentary Liberal Party Comm
2010 Blue & White Committee
2010 500 Club VIC
2010 Monash Club
2010 Enterprise Foundation
2010 Indi Foundation
2010 Dunkley Blue Ribbon Club
2010 Bass 200 Club
2010 Bayside Forum
2010 Greater Eastern Network 200 Club
2010 Murray 250 Club
2010 North West 200 Club
2010 Deakin Executive Forum
2010 Menzies 200 Club
2010 Casey Business Briefing Club
2010 Dame Pattie Menzies Foundation

2010 Bunori Pty Ltd
2010 500 Club of NSW
2010 Liberal Asset Management
2010 Liberal Properties Ltd
2010 Cormack Foundation
2010 Platinum Forum
2010 Vapold Pty Ltd
2010 CLP Gifts and Legacies
2010 CLP Legacies and Gifts
2010 Gatenby Investment Trust
2010 Labor Holdings Pty Ltd
2011 Family First - National
2011 ALP WA
2011 ALP WA
2011 ALP WA
2011 ALP WA
2011 Australian Greens - SA
2011 Socialist Equality
2011 Australian Democrats - NAT
2011 National Party - VIC
2011 National Party - VIC
2011 Christian Democrats _WA
2011 LPA TAS
2011 LPA TAS
2011 ALP VIC
2011 ALP VIC
2011 Christian Democrats Fed
2011 Christian Democrats Fed
2011 ALP (VIC)
2011 CDP (Fed)
2011 National Party of Australia (WA) Inc
2011 Liberal Party of Australia - Tasmanian Division
2011 Australian Labor Party (Tasmanian Branch)
2011 Australian Labor Party (South Australian Branch)
2011 Australian Greens - ACT
2011 Senator On-Line
2011 Liberal Democratic Party
2011 Democratic Labor Party (DLP) - NSW Branch
2011 Carers Alliance
2011 Australian Sex Party
2011 Socialist Alliance
2011 One Nation
2011 Democratic Labor Party (DLP) - Victorian Branch
2011 Democratic Labor Party (DLP) of Australia - NATIONAL
2011 Australian Greens - NT
2011 Country Liberals (Northern Territory)
2011 Democratic Labor Party (DLP) - WA Branch
2011 Australian Greens - TAS
2011 Family First Party - QLD
2011 Democratic Labor Party (DLP) - Queensland Branch
2011 Australian Fishing and Lifestyle Party
2011 Family First Party - National
2011 Democratic Labor Party (DLP) - SA Branch

2011 Family First Party - SA
2011 Australian Democrats
2011 Higgins 200 Club
2011 Higgins 200 Foundation
2011 Australian Labor Party - Investment Trust
2011 The Eros Foundation Incorporated
2011 The Page Research Centre Ltd
2011 The Green Institute
2011 The Chifley Research Centre Ltd
2011 Australian Labor Party (Legacies and Gifts) Ltd
2011 Don Chipp Foundation Ltd
2011 CLP Gifts and Legacies Pty Ltd
2011 Gatenby Investment Trust
2011 Australian Labor Party Sisterhood
2011 Donations Club
2011 Liberal Club Limited
2011 SA Progressive Business Incorporated
2011 Liberal Foundation Inc
2011 The Lady Wilson Foundation
2011 Kaye Sutherland Memorial Bequest Fund
2011 Health Services Union
2011 Australian Labor Party - Holdings Pty Ltd (SA).
2012 Christian Democratic Party (Fred Nile Group) WA Branch
2012 Australian Greens (Secretariat)
2012 Australian Labor Party (ALP) - NATIONAL
2012 Liberal Party of Australia (S.A. Division)
2012 Queensland Greens
2012 Liberal Party of Australia -Federal Secretariat
2012 Building Australia Party
2012 Stable Population Party of Australia
2012 Australian Greens (South Australia)
2012 National Party of Australia (S.A.) Inc.
2012 Secular Party of Australia
2012 John Curtin House Limited
2012 Free Enterprise Foundation
2012 Parakeelia Pty Ltd
2012 The Greenfields Foundation
2012 Goulburn 100 Club
2012 Business First
2012 Scoresby City Club
2012 Berwick Ranges 500 Club
2012 Bulleen Supporters Group
2012 Yarra Plenty Women's Group
2012 The Free Enterprise Foundation- the same as Free Enterprise Foundation (see above)
2012 Labor Campaign Pty Ltd
2012 NSW Labor Campaign Investment Pty Ltd
2012 Mornington Gold

Annexure C Correspondence between Mr Priani and Mr Fowlie.

- From Mr Pirani to Mr Fowlie Tuesday 4th August 2009 9:18am
- From Mr Fowlie to Mr Pirani Monday 10th August 2009 2:14pm
- From Mr Pirani to Mr Fowlie Tuesday 11th August 2009 10:14am

From: Paul Pirani [mailto:Paul.Pirani@aec.gov.au]
Sent: Tuesday, 4 August 2009 09:18 AM
To: Ken Fowlie
Subject: Health Services Union [SEC=LEGAL-IN-CONFIDENCE]

LEGAL-IN-CONFIDENCE

Mr Ken Fowlie
Slater & Gordon Lawyers

Dear Mr Fowlie

I refer to previous correspondence relating to your client the Health Services Union and the reporting of electoral expenditure under Part XX of the *Commonwealth Electoral Act 1918*. I also particularly refer to your letter to me of 30 June 2009 in which you indicated that you would provide an update by 31 July 2009.

I am now proceeding to prepare various briefing documents for the Special Minister of State for use when the Parliament resumes on 11 August 2009. It is essential that I receive the previously foreshadowed update from you and your client in relation to the timeframes in which a response is to be provided to the Australian Electoral Commission which meets the reporting requirements contained in Part XX.

The delay in progressing this matter is becoming a concern and will no doubt lead to questions being raised in the Parliament.

I look forward to receiving your prompt advice as to the progress of this matter.

Yours sincerely

Paul Pirani
Chief Legal Officer
Chief Legal Officer Unit
Australian Electoral Commission


Ph: (02) 6271 4474
Fax: (02) 6271 4457

LEGAL-IN-CONFIDENCE

DISCLAIMER:

From: Ken Fowle [mailto:kfowle@slatertgordon.com.au]

Sent: Monday, 10 August 2009 2:14 PM

 Paul Pirani

Subject: RE: Health Services Union [SEC=LEGAL-IN-CONFIDENCE]

PRIVILEGED & CONFIDENTIAL

Mr Pirani

Thank you for your email. I refer also to my letter dated 30 June 2009.

Unfortunately, I have not received any further advices from the Industrial Registrar (now, General Manager, Fair Work Australia) regarding its examination of the matters I was instructed by the Union to investigate. Consequently, my client proposes to continue to refrain from providing information to your office at this time. It remains concerned that to do otherwise, could prejudice the inquiries being made by Fair Work Australia.

I will provide you with a further update by the end of August 2009.

Yours Faithfully

Ken Fowle
Executive Director
Practice Group Leader
Slater & Gordon
Sydney Office
31 2 8267 0603 (d)
0418 604 966 (m)
31 2 8267 0650 (f)

From: Paul Pirani
Sent: Tuesday, 11 August 2009 10:14 AM
To: Ken Fowlie
Cc: Sue Sayer; Brad Edgman
Subject: RE: Health Services Union [SEC=LEGAL-IN-CONFIDENCE]

LEGAL-IN-CONFIDENCE

Dear Mr Fowlie

Thanks for the update. I look forward to being kept informed of the progress in this matter.

While I acknowledge the reason why your client is unable to lodge amended disclosure returns and a third party return at this time due to the particular circumstances of this matter, I note that this delay cannot continue indefinitely.

Accordingly, your clients are hereby placed on notice that if the delay in addressing the requirements contained in Part XX of the Commonwealth Electoral Act 1918 continues for any undue length of time, the AEC will be forced to consider exercising the power contained in subsection 316(3) of the Commonwealth Electoral Act 1918 and to direct notices to produce to both the HSU and to individual members of the HSU Executive.

Yours sincerely

Paul Pirani
Chief Legal Officer
Chief Legal Officer Unit
Australian Electoral Commission

Ph: (02) 6271 4474
Fax: (02) 6271 4457

LEGAL-IN-CONFIDENCE

Annexure D

Email from Mr Pirani to Ms Kathy Jackson Wednesday 20th May 2009 1:44pm

Paul Pirani

From: Paul Pirani
Sent: Wednesday, 20 May 2009 1:44 PM
To: kathy.jackson@hsuvc.asn.au
Cc: Sue Sayer; Brad Edgman
Subject: Disclosure obligations under the Commonwealth Electoral Act [SEC=IN-CONFIDENCE]
Categories: IN-CONFIDENCE

IN-CONFIDENCE

Kathy

I have attempted to contact you twice today and am unable to access your voicemail to leave a message.

I would appreciate having a quick telephone conversation with you to discuss a way forward for ensuring that the National Branch of the HSU has complied with the obligations under sections 314AEA of the Commonwealth Electoral Act 1918 (ie the annual return of an associated entity for 2007-08) and section 314 AEB (the third party political expenditure return for 2007-08 which includes the November 2007 general election).

I am aware of the various articles in the Sydney Morning Herald about the HSU and the expenditure in Dobell that was apparently authorised by Mr Craig Thomson and is alleged to have involved HSU funds. I am also aware of media reports indicating that you have already taken action to refer this matter to BDO Kendall and Slater and Gordon. I also understand from media reports that the Industrial Registrar may also be investigating this matter.

Yesterday I had a discussion with Mr Michael Williamson who confirmed that the existing third party political expenditure return that we have published only relates to the NSW Branch of the HSU and does NOT include any information about the National Branch of which you are the National Secretary. Similarly, the associated entity returns that we have published apparently do not include the National Branch of your union.

No doubt I will be questioned at Senates Estimates hearing next Thursday 28 May on this matter and would appreciate the opportunity to discuss this matter with you on a without prejudice basis. I just want to be clear about what proactive action you are taking to address this matter (including the proposed timeframes) and to meet the statutory reporting obligations contained in Part XX of the Act.

Paul Pirani
Chief Legal Officer
Chief Legal Officer Unit
Australian Electoral Commission

Ph: (02) 6271 4474
Fax: (02) 6271 4457

IN-CONFIDENCE

Annexure E

Letter from Ms Kathy Jackosn to Mr Ken Fowlie, dated 11th December 2008



Health Services Union

11 December 2008

Mr Ken Fowle
Executive Director
Slater and Gordon Lawyers
11th Floor, 51 Drutt Street
Sydney NSW 2000

Dear Mr Fowle,

Referral

The National Executive of the Health Services Union ("the Union") wishes to engage the services of law firm Slater and Gordon to undertake an examination of possible irregularities in the expenditure of the Union for the period 16 August 2002 to 31 January 2008.

Background

The Union is regulated by the Registered Rules of the Union and Schedule 1 of the *Workplace Relations Act 1996*.

On the resignation of the National Secretary Mr Craig Thomson in December 2007, the National Executive resolved that an exit audit would be conducted on the accounts of the Union. This is a routine procedure in the HSU. The Union's National Auditor, Mr Ian Dick ("the Auditor") was appointed to conduct this audit. A report from the Auditor for the period of 1 July 2007 to December 2008 was provided to the National Executive in a letter to the National Secretary dated 12 May 2008. A copy is included in the enclosures to this letter.

The report identified what appeared to be a number of irregularities in the accounts of the Union and an apparent lack of documentation in support of some expenditure.

The National Office appears to have no official Minute Book or electronic copies of minutes of meetings of the National Executive or National Council for the period that Mr Thomson held the position of National Secretary. A set of draft minutes for all such National Executive meetings as circulated can be made available but these are not necessarily confirmed minutes. National Executive has approved the annual accounts and financial statements for the Union for each of the financial years prior to 2007/2008.

In another letter from the Auditor also dated 12 May 2008, the National Executive was advised that, in the course of preparing the exit audit report, the Auditor had become aware of the existence of a Commonwealth Bank credit card and that in the 2006-2007 financial year a considerable number of cash withdrawals from ATM's had occurred. Whilst the Auditor has noted that these entries have been entered in the Union's books and attributed to various purposes, there appeared to be no documentary evidence to support that expenditure and the Auditor advised that this may be in breach of the reporting guidelines or Schedule 1 to the Workplace Relations Act 1996. The Auditor has sought the response of the National Executive in relation to this matter.

After receiving the exit audit report from the Auditor, National Executive decided to investigate expenditure incurred on union credit cards to which Craig Thomson, and Matthew Burke and Crisalee Stevens (former employees of the Union), were signatories. The examination was conducted by the Union's Officers and covered the period July 2002 to January 2008.

The Officers of the HSU were unable to locate any supporting documentation for most of the withdrawals referred to in 6 below.

Further, there are a number of transactions which are unsupported by any documentation and which are not clearly identifiable as expenses for the purposes of carrying out the objects of the HSU. Some of these items appear to be of a personal nature, and some were incurred after Mr Thomson's resignation from office.

Matthew Burke and Crisalee Stevens also had HSU Diners Club cards. The summary documents list items of expenditure which are not clearly identifiable from the statement descriptions as HSU related, and, in Matthew Burke's case, were incurred after his employment ended. These transactions are not supported by any documentation. *but paid*

As you will know, the HSU is required to file a return identifying any expenditure for electoral purposes. There are transactions in respect of which the invoices suggest that they were political expenditure, and a number of transactions for which there are no invoices/receipts and which may be political expenditure.

Examination

The HSU National Executive requests that you engage an appropriate forensic accounting firm to examine the enclosed documents and report to yourselves and the National Executive on any matters which arise from the above which in their opinion require action or attention by the National Executive, and to make recommendations as to the appropriate course of action the Union ought to take to address matters raised as a result of the investigation.

After receipt of the report of that examination, we seek your advice in relation to the following:

- a. Whether funds of the Union were expended in accordance with the rules of the Union;
- b. Whether any funds of the Union were inappropriately expended, or not clearly identifiable as expenditure consistent with carrying out the objects of the HSU, and if so to what extent;
- c. Whether funds of the Union were misappropriated, and if so to what extent;
- d. If funds of the Union have been misappropriated, or expended without authority, what course or courses of action is or are available to the Union to recover those funds;
- e. Any issues that arise regarding the responsibility of the Union in relation to Schedule 1 of the *Workplace Relations Act 1996*;
- f. Whether it is possible to determine the total sum of Union funds expended on Mr Thomson's campaign to win the seat of Dobell in the 2007 Federal election and if so what that sum is?
- g. What other expenditure in the year 2007 was properly characterised as political expenditure which the Union is obliged to declare to the AEC?
- h. What policies, procedures or practices ought to be adopted by the National Executive and/or National Council of the Union to ensure that the Union has in place proper corporate governance practices to comply with its financial management obligations?

We also seek your advice on the Union's obligations in responding to the second letter from the National Auditor. I advise that the National Auditor has not yet finalised the accounts and financial statements for year 2007/2008 pending our response.

Mr Thomson had accumulated entitlements of annual leave and long service leave of about \$190,000. He has only been paid a relatively small amount of this to date, pending the conclusion of the examination of these matters. We request that you advise Mr Thomson that the National Executive has referred the matter for investigation and pending the outcome of that investigation no further payment of outstanding entitlements will be made. Mr Thomson's address is P.O Box 5253, Chittaway Bay, NSW, 2261.

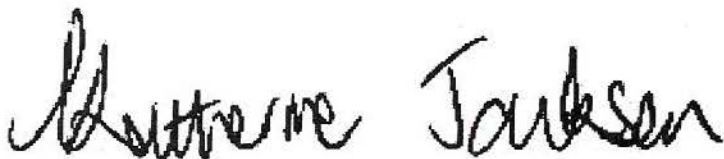
Prior to making any final recommendations to the National Executive, we authorise you to make contact with any person to either gain further relevant information or to give any person the opportunity to respond to any relevant findings of the investigation.

Please find enclosed the following documents:

1. Copy of a letter to the National Auditor dated 9 April 2008;
2. A copy of a letter from the National Auditor to the National Secretary dated 12 May 2008 together with attachments;
3. A copy of a second letter from the National Auditor to the National Secretary dated 12 May 2008;

4. Copies of credit card statements for Diners and Commonwealth Bank credit card accounts in the name of the HSU whose signatories were Craig Thomson, Matthew Burke and Crisalee Stevens;
5. Copies of analyses of that credit card expenditure conducted by Officers of the HSU;
6. A copy of a spread sheet listing credit card cash withdrawals;
7. A copy of a document listing payments from an SGE account of the HSU;
8. A copy of a letter to the National Secretary from the Australian Electoral Commission dated 21 January 2008;
9. A copy of the 2003 Terms of Reference for the Finance Committee, including 'Delegation of Approval for Outlays';
10. A copy of the Financial Governance Guidelines adopted by the National Executive in March this year; and
11. Copies of unconfirmed draft minutes of the National Executive.

Please contact me if you want any further information or want to discuss any of the matters raised.



Yours sincerely

Kathy Jackson

National Secretary

National Office

208-212 Park Street, South Melbourne, Victoria, 3205 Telephone: (03) 9341 3328 Facsimile: (03) 9341 3329

Email: hsu@hsu.net.au

Website: www.hsu.net.au

Annexure F

Letter from Elias Hallaj, Assistant National Secretary of the Australian Labor Party National Office to Alan Page, Assistant Director Funding and Disclosure the Australian Electoral Commission advising of the Labor Party's Associated Entities, which includes the HSU. 10 March 2009.

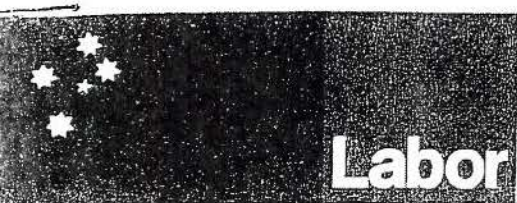
Letter from Sue Sayer to Kathy Jackson 12 May 2012

Letter from the AEC to Karl Bitar of the ALP 18 May 2009

Letter from Kathy Jackson to Sue Sayer 26 May 2012

Letter from Kathy Jackson to Paul Pirani 13 October 2012

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Labor National Secretariat

10 March 2009

Mr Alan Page
Assistant Director
Funding and Disclosure
Australian Electoral Commission
PO Box 6172
KINGSTON ACT 2604

see later list
rec'd 27/5/09.
only 3 AEs
not 14
[Signature]

Dear Mr Page

In reference to your letter of 4 March 2009 please find attached the list of Associated Entities as requested.

If you have any questions please do not hesitate to contact me.

Yours sincerely

Elias Hallaj

Elias Hallaj
Assistant National Secretary

✓ Australian Manufacturing Workers Union (AMWU)

Dave Oliver
National Secretary
PO Box 160
Granville NSW 2142

✓ Australian Services Union (ASU)

Paul Slape
National Secretary
Ground Floor, 116 Queensberry Street
Carlton South VIC 3053

✓ Australian Workers Union (AWU) - NO

Paul Howes
National Secretary
Level 10, 377-383 Sussex Street
Sydney NSW 2000

✓ Communications, Electrical and
Plumbing Union of Australia (CEPU)

Peter Tighe
National Secretary
Suite 701, Level 7
5-13 Rosebery Avenue
Rosebery NSW 2018

Construction, Forestry, Mining
And Energy Union (CFMEU)

John Sutton
National Secretary
PO Box Q235 QVB PO
Sydney NSW 1230

Health Services Union (HSU)

Kathy Jackson
National Secretary
208-212 Park Street
South Melbourne VIC 3205

✓ Liquor, Hospitality and Miscellaneous Union (LHMU)

Louise Tarrant
National Secretary
Locked Bag 9
Haymarket NSW 1240

Maritime Union of Australia (MUA)

Paddy Crumlin
National Secretary
Level 2, 365 Sussex Street
Sydney NSW 2000

National Union of Workers (NUW)

Charlie Donnelly
National Secretary
PO Box 343
North Melbourne VIC 3051

Rail, Tram & Bus Union (RTBU)

Greg Harvey
National Secretary
83-89 Renwick Street
Redfern NSW 2016

Shop Distributive and Allied
Employees Association (SDA)

Joe De Bruyn
National Secretary
6th Floor, 53 Queen Street
Melbourne VIC 3000

Textile, Clothing and Footwear
Union of Australia (TCFUA)

Michele O'Neill
National Secretary
PO Box 441
Carlton South VIC 3053

Transport Workers Union (TWU)

Tony Sheldon
National Secretary
PO Box 47
Parramatta NSW 2124

United Firefighters Union of Australia (UFUA)

Peter Marshall
National Secretary
410 Brunswick Street
Fitzroy Vic 3065

Ms Kathy Jackson
National Secretary
HSU
208-212 Park Street
SOUTH MELBOURNE Vic 3205

Dear Ms Jackson

Re: Associated Entity Annual Disclosure Obligation – 2007- 08 Financial Year

I am writing to advise that it has come to our attention that your entity has a disclosure obligation under Part XX of the *Commonwealth Electoral Act 1918* (the Act) for the 2007-08 financial year. The due date for lodging a return was 20 October 2008.

The Australian Electoral Commission (AEC) recently contacted all branches of the Australian Labor Party requesting a complete list of all associated entities. HSU was included on the list.

The financial controller of each associated entity has a responsibility to lodge a disclosure return for the 2007-08 financial year in accordance with Part XX of the Act unless the financial details of the entity are included in a disclosure return for a related entity. If the information for your associated entity has been included on the return of another associated entity, or your associated entity has already submitted a return under a different name, please contact the AEC on (02) 6271 4552 so our records can be updated

Failure to lodge the required disclosure return is a serious criminal offence which may result in the AEC referring this matter to the Commonwealth Director of Public Prosecutions.

A return form is included with this letter to assist you in meeting your disclosure obligation.

Signed forms, including any attached spreadsheets, can be lodged with the AEC via:

- Email to fad@aec.gov.au;
- Fax to (02) 6271 4555; or
- Post to:

Australian Electoral Commission
Funding and Disclosure Section
PO Box 6172
KINGSTON ACT 2604

Important information to note is provided below.

Disclosure Threshold

The disclosure threshold for the 2007-08 financial year is 'more than \$10, 500.' Transactions below this threshold are not usually required to be reported individually.

Third Party Return of Political Expenditure

A *Third Party Return of Political Expenditure* is also required to be lodged by Associated Entities where they incur political expenditure in excess of the \$10, 500 threshold in 2007-08. Copies of the return form and handbooks are available from the AEC website (www.aec.gov.au).

Donor Returns

The AEC uses information from associated entity returns to identify donors. Please ensure that the detailed information on your return is sufficient for the AEC to contact the person or organisation that has made the donation to advise them of their reporting obligation.

Further general information about completing the return can be obtained from the *Funding and Disclosure Handbook for Associated Entities*, available on the AEC website (www.aec.gov.au) or by contacting the Funding and Disclosure Section on (02) 6271 4552 or by emailing fad@aec.gov.au

Yours sincerely



Sue Sayer
Director, Funding and Disclosure
Australian Electoral Commission

12 May 2009



Our Ref:

Title First Name Last Name
Party
Address Line 1
Address Line 2
Address Line 3

Dear Title Last Name

RE: Associated Entities of Federally Registered Political Parties

As you would be aware, bodies and organisations that satisfy the definition of 'Associated Entity' in section 287(1) of the *Commonwealth Electoral Act 1918* (the Act) have a disclosure obligation in relation to a given financial year. The definition of an associated entity is set out on the reverse of this letter.

The Australian Electoral Commission (AEC) requires an accurate and up to date list of all associated entities of federally registered political parties in order to inform them of their disclosure obligations under Part XX of the Act. To assist the AEC with this would you please provide a list of all organisations that are affiliated with your party for the 2008/2009 financial year, including:

- The name of a current contact for each organisation; and
- Full address details of each associated entity.

Where an associated entity operates under alternative names or abbreviations, please provide all details. Precise and accurate records will allow the AEC to contact and advise associated entities of their financial disclosure obligations for this financial year in a timely and efficient manner.

Should you have any queries in relation to this matter please do not hesitate to contact the funding and disclosure section on (02) 6271 4552 or via email at fad@aec.gov.au.

Your assistance in providing this information by 29 May 2009 is appreciated.

Yours sincerely



Sue Sayer
Director
Party Registration and Financial Disclosure

18 May 2009

Mr Karl Bitar
Australian Labor Party (ALP)
PO Box 6222
KINGSTON ACT 2604



Sue Sayer

AEC

Director Funding and Disclosure

BY E-MAIL: fad@aec.gov.au

26 May 2009

Dear Ms Sayer

Re: Associated Entity Annual Disclosure Obligation 2007 – 09

Thank you for your letter dated 14 May 2009

The HSU has not yet lodged a return as it is not yet able to determine whether expenditure was disclosurable.

Like most unions, it is customary for the Health Services Union to conduct an exit audit following a change of leadership within the Union or within one of its branches. An exit audit was conducted within the National office of the Union in 2008.

During the audit, the Union's National Auditor raised some issues, which were extensively reviewed by the Union.

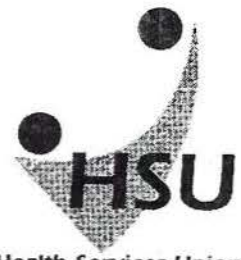
The National Executive of the Union then unanimously resolved that the issues required further independent investigation.

The Union appointed a national law firm, Slater & Gordon, and an independent auditor, national accounting firm, BDO Kendall to conduct that investigation and make recommendations. A copy of the letter to Slater and Gordon is attached.

That investigation is continuing and no conclusions have been reached regarding the matters the subject of the investigation or the conduct of any officers of the Union.

The Industrial Registrar and the HSU National Executive have remained apprised of the progress of the investigation.

National Office



Health Services Union

Until the investigation is completed we are not in the position to accurately disclose political expenditure.

I am advised that Slater & Gordon expect to provide a report by early June.

We will inform you of any developments.

I will provide you with further advice when it comes to hand.

Yours Sincerely

A handwritten signature in cursive script that reads "Kathy Jackson". The signature is written in black ink and is positioned above the typed name.

Kathy Jackson

National Secretary

13 October 2009



Mr. Paul Pirani
Chief Legal Officer
Australian Electoral Commission
By Email: Paul.Pirani@aec.gov.au
By: Fax 02 6271 4552

Dear Sir

I refer to your letter of 14 May 2009 to me and the subsequent exchanges of correspondence between you and the Union's lawyer Mr Ken Fowle.

Please find enclosed:

1. Annual Return relating to Political Expenditure for Financial Year 2006 – 2007;
2. Annual Return relating to Political Expenditure for Financial Year 2007 – 2008; and
3. Donor Return for Financial Year 2007 – 2008.

Associated Entity

In your letter of 14 May you indicated that you regarded the HSU as an associated entity. Respectfully, we take a different view.

By virtue of s27 of the Fair Work (Registered Organisations) Act 2009 ("Act"), the Health Services Union is an incorporated entity. As you know, the Union is divided into a number of separate branches, each of which, pursuant to the rules of the Union and the operation of the Act, operate autonomously, including with respect to their financial affairs and reporting with respect to those affairs. This is particularly governed by s242 of the Act. A number of the branches of the Union, specifically the NSW Branch, the Tasmanian Branch, the West Australian Branch and several of the Victorian Branches are Associated Entities of the Australian Labor Party. In each case, they are affiliated to the Australian Labor Party in their respective states and they provide delegates to the conferences of those state branches of the ALP.

Pursuant to s242(5) of the Act, the National Office of the Union is regarded by the Act as a separate branch for the purpose of reporting. However, unlike the state branches of the Union described above, the HSU National Office, is not affiliated with the ALP and does not provide delegates to any forum of the ALP. It seems to us, in those circumstances, that the National Office of the HSU cannot be an Associated Entity having regard for the definition within the Australian Electoral Commission Act.

Naturally, we are happy to discuss this with you. We understand that the National office of the ALP is of the same view.

Please do not hesitate to contact me if you have any further questions.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Kathy Jackson', is written over the typed name.

Kathy Jackson
National Secretary

National Office

208-212 Park Street, South Melbourne, Victoria 3205, Postal address PO Box 3078, South Melbourne, Victoria 3205
Telephone: (03) 9341 3328, Facsimile: (03) 9341 3329. www.hsu.net.au, Email: hsu@hsu.net.au. ABN 68 243 768 561

Annexure G

Letter from Ken Fowlie to Terry Nassios 16 June 2009

Letter from Ken Fowlie to Paul Pirani 30 June 2009



BB

Level 11
51 Druitt Street
Sydney NSW 2000

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GPO Box 1584
SYDNEY NSW 2001

DX 1163 SYDNEY

Direct Ph: +61 2 8267 0603
Fax: + 61 2 8267 0650
Email: kfowlie@slatergordon.com.au

16 June 2009

Private & Confidential

Mr Terry Nassios
A/g Industrial Registrar
Australian Industrial Registry
Level 4, 11 Exhibition St
MELBOURNE VIC 3000

Dear Sir

Health Services Union ("Union")

The period is
2002 to 2007
The period covering
Mr. Thomsons tenure

Please find enclosed "Report on suspected irregularities in the expenditure of the National Office of the Health Services Union 2002 – 2007" ("The Report").

This Report contains the findings of an independent investigation undertaken by Slater & Gordon Lawyers and Accountants' BDO Kendalls ("BDO").

I was yesterday instructed by the National Executive of the Union to provide a copy of the Report to you. This followed a briefing given to the National Executive by me and BDO on the contents of the Report.

I have also been instructed to provide a copy of a resolution passed by the Executive, yesterday, which was in the following terms:

National Executive:

Directs Slater & Gordon to provide a copy of the Findings to the Industrial Registrar and a copy of relevant findings of the Investigation to the Australian Electoral Commission ("AEC") as soon as practicable under cover of a letter providing a copy of this resolution and indicating to both that the Union is prepared to co-operate with whatever further investigation and inquiries those entities wish to make into the matters the subject of the Investigation.

I and BDO hold all other copies of the Report. A copy of the Report has not been provided to any other person, including Mr Thomson, the former National Secretary of the Union.

I reiterate that the Union stands ready to co-operate with whatever further investigation and inquiry you and your office wish to make into the matters contained within the Report.

Please contact the writer if you require any further assistance with respect to this matter.

Yours faithfully

Ken Fowlie
Executive Director
Practice Group Leader
SLATER & GORDON





30 June 2009

Mr Paul Pirani
Chief Legal Officer
Australian Electoral Commission
PO Box 6172
KINGSTON ACT 2604
And By Facsimile: 6271 4457

Level 11
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Sydney NSW 2000

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SYDNEY NSW 2001

DX 1163 SYDNEY

Direct Ph: +61 2 8267 0603
Fax: +61 2 8267 0650
Email: kfowlie@slatergordon.com.au

Dear Sir

Health Services Union

I am instructed by the National Executive of the Health Services Union ("Union").

Along with directors from BDO Kendalls, I recently concluded an investigation and made findings in relation to expenditure within the National Office of the Union in the period 2002 – 2007.

As part of the investigation we made certain findings in relation to expenditure incurred by the National Office of the Union which may require disclosure under the Commonwealth Electoral Act 1918 ("CEA").

The full findings of our investigation have now been provided to the Industrial Registrar.


I understand that the Industrial Registrar has initiated inquiries pursuant to s330 of the RAO Schedule to the Workplace Relations Act 1996.

So as not to prejudice those investigations my client proposes to await the conclusion of the Industrial Registrar's inquiries before finalising any disclosure under the CEA.

Whilst I do not know how long it will take before Industrial Registrar reaches a conclusion to his investigation, I will ensure that you are provided with a further update by 31 July 2009.

Please contact me if I can be of any further assistance in relation to this matter in the interim.

Yours faithfully



Ken Fowlie
Executive Director
Practice Group Leader
SLATER & GORDON

**The Hon Bronwyn Bishop MP
Shadow Special Minister of State**

**The Hon Alex Somlyay MP
Deputy Chair – JSCEM**

Senator Scott Ryan

Senator Simon Birmingham