



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**Federation Chamber**

**PRIVATE MEMBERS' BUSINESS**

**Fair Work Australia**

**SPEECH**

**Tuesday, 28 February 2012**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

**Date** Tuesday, 28 February 2012  
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**Questioner**  
**Speaker** Ley, Sussan, MP

**Source** House  
**Proof** No  
**Responder**  
**Question No.**

**Ms LEY** (Farrer) (17:34): I rise to second the motion moved yesterday in the House by the Leader of the Opposition, the member for Warringah, concerning the Fair Work Australia investigation into the Member for Dobell and activities of the Health Services Union. This investigation into the Health Services Union and the member for Dobell has been the responsibility of Fair Work Australia since June 2009. In total it has taken nearly four years so far. The taxpayer is now up for close to \$1 million for this inquiry plus further costs with the bringing in of external legal counsel and, as I understand it, accounting consultants as well. Unfortunately there is no end in sight. Despite declaring on 19 October 2011 that the investigation was on track to be completed by the end of that year, acting general manager of Fair Work Australia Bernadette O'Neill has failed to deliver. There has also been a failure to provide a real reason for this remarkable delay, bearing in mind it has far surpassed the Watergate investigation and the Cole royal commission. It is almost a fifth of the time it took to build the Snowy Mountain scheme. The length of time that this investigation has been continuing has been quite plainly ridiculous.

It is about the misuse of funds from some of the lowest paid workers in this country and these are the people who deserve answers as to where their money really went. If indeed it is true that their hard-earned union subscriptions went into the financing of prostitutes, then they should be more than just angry. These people pay their union dues for the union, in turn, to use this for their direct benefit. Certainly no-one would expect that benefit to be the procurement of call girls for the sole entertainment of the union executive or to help mount election campaigns for the aforementioned member for Dobell. I have been a member of the Australian Workers Union in the shearing sheds and I know how much it hurts as a low-paid worker to contribute a substantial slice of your uncertain income to the union. I sometimes did wonder when the union representative pulled up at a remote shearing shed in western Queensland in a very large, white, well-sprung car just how comfortable their life really was compared to mine. At the time I did not mind because I thought they were acting in my interests.

In the context of this debate, Fair Work Australia persists in dragging its heels in this investigation. They are letting down the 70,000 members of the Health Services Union. Fair Work Australia was established by the Rudd-Gillard-Gillard government, and it is meant to be an independent umpire. Yet this so-called 'independent umpire' is unwilling to make the call on the investigation into the member for Dobell. Quite frankly, the only people that this institutional go-slow or blundering administrative competence—you make your pick—benefits is the federal Labor party, enabling them to maintain their wafer-thin hold on power. This is a government that is willing to condone appalling behaviour by all and sundry. It reeks of sheer desperation and even gives the appearance of quite untoward behaviour. If there has not been any interference, perhaps all that this proves is yet another debacle at the hands of our Prime Minister. Fair Work Australia was her personal baby, remember, but it cannot even conduct an investigation in a timely manner. The Gillard government must be held accountable on this matter. As a body established at the request of this government, it bears responsibility. These are incredibly serious allegations and the government needs to provide the Australian public with answers immediately.

They have also been made aware of these allegations into Mr Thomson, as reported in the media. Former industrial registrar Doug Williams confirmed to Sydney's *Daily Telegraph* that he was telephoned by the Prime Minister's chief of staff, Ben Hubbard, in early 2009 about inquiries into the Health Services Union and Mr Thomson. Quite clearly, the release of emails under freedom of information demonstrates that there was an exchange between Rhys Davies, the press secretary of former Workplace Relations Minister, Chris Evans, and the Fair Work Australia Communications Manager, Judy Hughes, concerning the Thomson investigation. In the exchange of emails Ms Hughes was asked if claims made by the Seven Network that the Labor MP Craig Thomson 'lied to Fair Work Australia' were true. In one of her replies, Ms Hughes sent Mr Davies a draft media statement issued to journalists that said there was no new inquiry into Mr Thomson, and Mr Davies replied, 'Thanks, that's awesome. That should minimise any run it gets in the morning.' We are determined to ensure that the government comes clean, that it releases all the details of all the contact between ministers, Prime Ministers and their officers and Fair Work Australia.

Clearly, the government is reluctant to act. We have seen bullying tactics preventing the Fair Work investigators from answering questions in October estimates. Acting general manager, Bernadette O'Neill, has stated that she did not plan to make public the already finished report, which has found extensive rule breaking in the Health Service Union's Victoria number 1 branch. That is one of the branch investigations. There is also a national investigation. The branch investigation has been completed and we are not to know what information it contains. As far as findings go, we know that an employee of the Australian Government Solicitor received a letter advising of proposed findings back in December 2010. Why then is Fair Work Australia continuing to stall? The coalition's freedom of information request regarding those emails indicated a degree of complicity and that is the reason for the motion and the debate today: because the government has involved itself in an organisation that it claims it has left alone to make an independent decision.

Fair Work Australia has finally conceded that it is considering recommending legal action in relation to its inquiry into the Health Services Union and the allegations that the union's former national secretary and now federal Labor MP, Craig Thompson, misused a credit card provided to him by the owner of a graphic design and printing business—a business, I might add, that receives \$680,000 a year to produce ten issues of the Health Services Union newsletter. I produce a number of issues of my electorate newsletter and I have a printing allowance but it beggars belief that \$680,000 could be provided to provide ten issues of the Health Services Union newsletter. I do not think its 40-page glossy brochure could possibly attract this sort of real funding. That leads to suggestions that the money is being misused. Whether the provision of credit cards to the member for Dobell and the health service union boss were intended as an inducement in return for this printing business does require investigation. I am not making a statement here that that was the case but it does require investigation.

The recent Senate estimates process saw Fair Work Australia confirm that they had identified 25 possible breaches within the Victorian branch of the Health Services Union alone and nationally the figure would surely be higher. But, despite identifying a plethora of breaches which may in fact constitute criminal offences, Fair Work Australia has refused to meet with the New South Wales police to discuss the investigation. What we need are assurances that the integrity of Fair Work Australia remains intact. This is a body overloaded with former union officials and tightly bound to the Gillard government. It is clear to all and sundry as to why they are reluctant to hand down a verdict. If anyone witnessed this, I did in the painful performance of acting general manager Bernadette O'Neil's in Senate estimates. I had to feel sorry for her while she was delivering the answers that she was forced to deliver in that inquiry.

What is the public supposed to make of the fact that now Fair Work Australia has admitted that it is taking a long time and has invited KPMG to undertake an independent review of its inquiries? The cost of this will be extraordinary. If Fair Work Australia was doing its job it would not need to investigate itself via KPMG. And Ms O'Neil indicated that the KPMG inquiry would be made public but not the Fair Work Australia report into the union and the member for Dobell for fears that the material may be considered defamatory. Since when has the risk of exposing defamatory material stopped us getting at the truth? And that is what the opposition is seeking to do with this debate and this motion: to get at the truth.