

No crime, but Julia Gillard far from spotless after royal commission

Andrew Bolt, Herald Sun, November 02, 2014

JULIA Gillard would never have become prime minister had we known then what the royal commission into union corruption showed us last week.

But even now, Gillard can count on some in the media to go soft on what most of the Canberra press gallery for so long refused to even cover. "Trade union royal commission clears Julia Gillard of any crime," announced the ABC.

Well, not quite. Counsel assisting the commission, Jeremy Stoljar, simply asked royal commissioner Dyson Heydon not to recommend Gillard face charges.

Stoljar concludes from the evidence that Gillard "did not commit any crime and was not aware of any criminality" when, as a solicitor, she provided advice about setting up a slush fund for her then boyfriend, Australian Workers' Union official Bruce Wilson, and his sidekick Ralph Blewitt.

He says she had no idea the two would use that association to bill construction giant Thiess for "training" and "consultants" they never supplied.

More than \$380,000 went into the pair's pockets, and even today some is still missing.

In fact, thanks to a union cover-up, neither Wilson nor Blewitt "have ever been called to account", says Stoljar in his recommendation, released on Friday.

Worse, the AWU, after detecting the rip-offs, sent Wilson and Blewitt away with handsome redundancies — \$55,000 for Wilson and \$30,000 for Blewitt — and when one AWU official protested, another, now Opposition Leader Bill Shorten, allegedly told him: "We are all just moving on."

So does Gillard emerge from this as spotless as she always claimed, the victim of a baseless witch hunt?

No. As Stoljar says diplomatically: "While there is no suggestion of criminal culpability, some aspects of Ms Gillard's professional conduct of the matter as a solicitor appear questionable."

I'll say.

But before I explain, let's first dismiss one furphy. No, this royal commission was not set up by a vengeful Abbott Government just to get Gillard.

It has at least five unions in the gun, including the notorious CFMEU, whose NSW and Victorian secretaries Stoljar recommends face charges.

But the AWU scandal was an early model of how crooked union bosses could collect cash from employers desperate to buy peace.

Gillard comes into the picture only because her incompetence and amazing incuriosity helped her then boyfriend to collect.

As Stoljar says, the whole scam started in 1991 when Wilson, then the AWU's West Australian secretary, "actively negotiated" with the Labor government of Carmen Lawrence to give a big project to Thiess.

How helpful. Funnily enough, just months later Thiess agreed to pay Wilson for training at the site — training it never received yet kept paying for, year after year.

Wilson and Blewitt now needed an incorporated association to send out the invoices and collect this money, without the AWU getting wind of it.

Wilson turned to his girlfriend, Gillard, then a partner in Slater & Gordon, and Gillard started to make those "questionable" decisions.

She helped Wilson and Blewitt to incorporate the Australian Workers' Union Workplace Reform Association, which sounded like a legitimate union body to employers receiving an invoice.

Yet Stoljar says Gillard always believed it to be just a slush fund to raise cash for her boyfriend's election campaigns, and "Gillard did not offer any clear explanation" of why she didn't just say so in registering it.

Instead, the registration documents she helped prepare claimed its main purpose was actually to "achieve safe workplaces", which Stoljar notes "does not appear to reflect the intended workings of the association".

Worse, "despite the fact that the Victorian branch of the AWU was [Slater & Gordon's] client she did not check, or even seek instructions, as to whether the AWU had authorised the establishment of the association or the use of its name".

The AWU was livid when, years later, it found out.

Moreover, Gillard "did not open a file on the Slater & Gordon computer system", leaving her partners in the dark, too.

She also did not tell her boss, did not ask Wilson who the other members of his association were and did not know how a cheque from the association — to pay for a house for Wilson — was entered in Slater & Gordon's trust account ledger as from Blewitt instead.

But just as questionable was Gillard's lack of curiosity about the money being spent by her boyfriend — and on her extensive renovations.

Gillard started those renovations in a small way in 1993, hiring builder Athol James after getting three quotes.

But in late 1994, she came back from holidays to find her boyfriend had demolished her bathroom, and suddenly big renovations were under way.

Just as suddenly, Gillard's caution with quotes was gone: "She did not obtain any quotes. She did not participate in the selection of tradesmen. She did not prepare any budget or apparently have regard at all to what the work might cost. She did not enter into any building contract ..."

Maybe there's a simple explanation. Three witnesses said they'd seen Wilson pay the tradesmen with what James recalls as a "wad of notes".

James clearly recalled Gillard telling him Wilson was paying for his work, and AWU official Wayne Hem testified he'd also dropped \$5000 from Wilson into Gillard's bank account. Stoljar says he believes James and Hem. Which means he does not believe our former prime minister, who swore at the royal commission: "All payments made for renovations on my property were from my own money."

But as Stoljar points out, when Slater & Gordon's partners finally found out about the slush fund, she'd admitted to them: "I can't categorically rule out that something at my house didn't get paid for by the association or something at my house didn't get paid for by the union."

Indeed, with Wilson pushed out, a builder turned up at the AWU demanding his successor pay for the rest owed for work on Gillard's "union house".

But Gillard's lack of curiosity about who was paying was, again, useful to her boyfriend. Says Stoljar: "The skimpy nature of the available evidence does not make it possible to infer on the balance of probabilities that Ms Gillard was aware that she had received the \$5000 which Mr Hem put into her bank account on Mr Wilson's instructions.

"But she was aware of facts, had she turned her mind to them, which would have indicated that the source of the wads of bank notes cannot have been the low union salary of Mr Wilson of about \$50,000 — a man who was supporting his family in Perth ...

"That is, she must have been aware of facts, which had she turned her mind to them, would have revealed that Mr Wilson was making payments to her in breach of some fiduciary duty."

Yes, Stoljar wants Gillard cleared of any crime.

But had we known the rest, would she ever have been prime minister?

So who kept that crucial information from us? Who refused to report it?