

ROYAL COMMISSION INTO TRADE UNION  
GOVERNANCE AND CORRUPTION

Public Hearing

(Day 4)

Level 5, 55 Market Street, Sydney

On Wednesday, 11 June 2014 at 10.00am

Before the Commissioner: The Hon. John Dyson Heydon AC QC

Counsel Assisting: Mr Jeremy Stoljar SC  
Mr Michael Elliott

Instructed by: Minter Ellison, Solicitors

1 THE COMMISSIONER: Yes, Mr Stoljar.  
2  
3 MR STOLJAR: May it please the Commission, I appear with  
4 Mr Elliott as counsel assisting.  
5  
6 DR HANSCOMBE: Commissioner, Astrid Haben-Beer is present  
7 with me today. She will tomorrow, if need be, be making a  
8 privilege argument before the Commission for Mr Wilson.  
9  
10 THE COMMISSIONER: She will present a privilege argument  
11 tomorrow?  
12  
13 DR HANSCOMBE: If need be, yes.  
14  
15 THE COMMISSIONER: Have you discussed anything about that  
16 with Mr Stoljar?  
17  
18 DR HANSCOMBE: I just asked Mr Stoljar had there been any  
19 progress about that issue and he told me that he was not  
20 aware of any progress. I can tell you that the appeal in  
21 the court in Victoria was adjourned yesterday, to be heard  
22 in Victoria on Friday.  
23  
24 THE COMMISSIONER: That appeal concerns what I will call  
25 these 1995 documents for which privilege is claimed?  
26  
27 DR HANSCOMBE: Yes, Commissioner, so there's a direct  
28 overlap between the privilege claim made in the appeal and  
29 the privilege claim made here.  
30  
31 THE COMMISSIONER: The appeal is against the decision of a  
32 magistrate that the documents were not privileged?  
33  
34 DR HANSCOMBE: Yes.  
35  
36 THE COMMISSIONER: I didn't quite catch the name of your  
37 colleague who will present the argument.  
38  
39 DR HANSCOMBE: My junior's name is Astrid Haben-Beer and  
40 I think the Commission has received a short submission made  
41 by Ms Haben-Beer in writing.  
42  
43 THE COMMISSIONER: I've certainly seen a submission. I'm  
44 not sure it's by her, but at all events, I've seen that.  
45 Very well. It's contemplated that argument will be dealt  
46 with at 10 o'clock tomorrow, assuming other matters.  
47

1 DR HANSCOMBE: If the Commission please.  
2  
3 MR CLELLAND: Yes, Commissioner, might I announce my  
4 appearance with Mr Lewis on behalf of Ms Gillard and  
5 insofar as leave is necessary, may I seek leave to  
6 cross-examine each of the witnesses, at this stage,  
7 Mr Spyridis, Mr Hem and Mr James?  
8  
9 THE COMMISSIONER: Yes. All leave is granted.  
10  
11 MR CLELLAND: If the Commission please.  
12  
13 THE COMMISSIONER: Thank you. Yes.  
14  
15 MR STOLJAR: The first witness is Mr Konstantinos  
16 Spyridis.  
17  
18 <KONSTANTINOS SPYRIDIS, sworn: [10.03am]  
19  
20 <EXAMINATION BY MR STOLJAR:  
21  
22 MR STOLJAR: Q. Your name is Konstantinos Spyridis,  
23 S-P-Y-R-I-D-I-S?  
24 A. Yes.  
25  
26 Q. Are you still a builder by profession or have you  
27 retired?  
28 A. I'm retired.  
29  
30 Q. You're retired. I won't ask you if the Commission  
31 permits to give your residential address. I take it you no  
32 longer have a work address?  
33 A. No. No. Residential address is XXXXXXXXXXXXXXXXXXXX.  
34  
35  
36 Q. Mr Spyridis, you prepared a witness statement in these  
37 proceedings dated 28 May 2014?  
38 A. Yes.  
39  
40 Q. Is the content of that statement true and correct?  
41 A. It's true and correct.  
42  
43 Q. Can I just ask you some questions, firstly, about the  
44 statement itself. You've had some assistance in preparing  
45 your statement from your daughter Priscilla?  
46 A. Yes, that's right, yes.  
47

1 Q. She has also been acting as your solicitor?  
2 A. Yes.  
3  
4 Q. She's a solicitor by profession?  
5 A. She's a solicitor. She's not acting you know for me,  
6 but she's a solicitor.  
7  
8 Q. She's giving you some help in preparing your  
9 statement?  
10 A. Yes. Yes.  
11  
12 Q. Is the position that a solicitor at the Commission  
13 sent Priscilla a list of questions?  
14 A. Yes.  
15  
16 Q. What happened then? Did you answer the questions in  
17 writing?  
18 A. I answered the questions.  
19  
20 Q. Did Priscilla ask you the questions and you told  
21 her --  
22 A. Priscilla asked me all the questions and I answered  
23 the questions.  
24  
25 Q. And you answered them. And you then read through your  
26 statement, did you?  
27 A. Yes.  
28  
29 Q. And you satisfied yourself it was true and correct?  
30 A. True and correct.  
31  
32 Q. You told the whole story from your point of view?  
33 A. This is the whole story, you know, is in my statement.  
34  
35 Q. Everything you wanted to say is in your statement?  
36 A. Everything I wanted to say is, you know, in my  
37 statement.  
38  
39 Q. You said you were retired some years ago. When did  
40 you retire?  
41 A. I retired about 63, 64.  
42  
43 Q. Years of age you mean?  
44 A. Years of age, yes.  
45  
46 Q. How long were you a builder?  
47 A. I was developing, you know, my own properties just

1 about for 16 years.  
2  
3 Q. 16 years?  
4 A. Up to 1994-95.  
5  
6 Q. After that you were a builder by profession, were you?  
7 A. I was not builder, you know, I stop, you know, doing,  
8 you know, the building any more.  
9  
10 Q. When did you stop?  
11 A. I stopped at 1994-95.  
12  
13 Q. Doesn't your statement --  
14 A. No, no, 1996, you know, I stopped it.  
15  
16 Q. You stopped in 1996?  
17 A. I stopped in 1996, yes.  
18  
19 Q. When did you start?  
20 A. I start the building in 1983. From 1983 I was  
21 developing my own properties up to 1996, you know.  
22  
23 Q. I'm not sure I follow. You were doing building work  
24 for other people from time to time?  
25 A. No, no, no, I was developing my own properties.  
26  
27 Q. From time to time you did building work for other  
28 people?  
29 A. For other people, the only people, you know, I was  
30 working, you know, I did, you know, the fittings, you know,  
31 for the Australian Workers' Union, and I did a little bit,  
32 you know, of work, you know, in Julia Gillard's house,  
33 you know.  
34  
35 Q. You say those are the only jobs you did after you  
36 did your own jobs?  
37 A. Yes, these are the only jobs I did, afterwards, yes.  
38  
39 Q. I see. Did you come to do those jobs through  
40 Mr Telikostoglou?  
41 A. Yes.  
42  
43 Q. How do you know Mr Telikostoglou?  
44 A. Mr Telikostoglou, I met him, you know, with the Greek  
45 community.  
46  
47 Q. When did you meet him?

1 A. I met him in 1994, actually, you know, I met him,  
2 yeah.  
3  
4 Q. He had come over from Perth, had he?  
5 A. I don't know. You know, I met him. You know, it come  
6 up. Afterwards I find it out he was from Perth, yes, yes.  
7  
8 Q. You got to know him in 1994 and he asked you to do  
9 some work, did he?  
10 A. Yes. He asked me to do some work, you know.  
11 Actually, you know, he introduced me to Bruce Wilson in -  
12 he was the secretary, I call him, you know, in Australian  
13 Workers' Union and I want to do some fittings in offices  
14 and he asked me, you know, if I can do, you know, the  
15 fittings and give him a quotation and I give him a  
16 quotation and I got the job, you know, and did the offices,  
17 you know, for Australian Workers' Union, all the fittings.  
18  
19 Q. You got to know Mr Telikostoglou quite well?  
20 A. You know, I have sit with Mr Telikostoglou maybe three  
21 or four times. You know, that way, you know, I know him.  
22  
23 Q. Did you visit him at his house?  
24 A. No.  
25  
26 Q. Where was he living in those days?  
27 A. I didn't know.  
28  
29 Q. In any event, he introduced you to Mr Wilson?  
30 A. That's right.  
31  
32 Q. He introduced you to Ms Gillard?  
33 A. Yes.  
34  
35 Q. At some stage you did some work on a property at  
36 36 Phillip Street, Abbotsford?  
37 A. Yes.  
38  
39 Q. You've got a clear memory of doing that work, do you?  
40 A. Yes.  
41  
42 Q. You talk about it in your statement. Did you have  
43 discussions with Mr Wilson about that work at Abbotsford?  
44 A. No.  
45  
46 Q. You only had discussions with Mr Telikostoglou?  
47 A. With Telikostoglou.

1  
2 Q. With who?  
3 A. With Bill.  
4  
5 Q. With Bill Telikostoglou?  
6 A. Yes.  
7  
8 Q. Yes. And then you say in your statement that you did  
9 simple renovations to the front verandah and front picket  
10 fence?  
11 A. Yes, that's right.  
12  
13 Q. You say, "I did not undertake any other work at the  
14 Abbotsford property"?  
15 A. No, nothing else.  
16  
17 Q. Let's take those two items of work in steps. On the  
18 verandah you say you did some simple renovations. What was  
19 the verandah made of?  
20 A. It was timber with tiles on the top.  
21  
22 Q. What were the tiles?  
23 A. And rebuild, you know, or refix, you know, all the  
24 tiles in the verandah.  
25  
26 Q. What were the tiles made of?  
27 A. The tiles?  
28  
29 Q. Yes.  
30 A. Tiles.  
31  
32 Q. What were they made of?  
33 A. What do you mean what were they made of?  
34  
35 Q. Do you know what the tiles were actually made of?  
36 A. Tiles - you know, what's the tiles are made of.  
37  
38 Q. All right. I think I may have interrupted you  
39 actually. Were you trying to give a further answer to an  
40 earlier question?  
41 A. No. It was a house, you know, and I will fit, you  
42 know, the tiles, you know, on the verandah.  
43  
44 Q. What was the condition of the verandah when you first  
45 saw it?  
46 A. The verandah was not very very good, you know. The  
47 tiles were all ragged and the verandah was slide, you know;

1 you know, on one side it was sitting.  
2  
3 Q. It was leaning or tilting?  
4 A. It was leaning from one side, yes.  
5  
6 Q. Okay.  
7 A. I tried to level it, you know, and put the tiles and  
8 did the posts, you know, on the verandah.  
9  
10 Q. You did the posts?  
11 A. Yes. Yes.  
12  
13 Q. What was the condition of the posts when you saw them?  
14 A. The posts was no good, you know. They were all off,  
15 you know. I tried to change, you know, two posts; the  
16 other two was all right.  
17  
18 Q. You changed some, did you?  
19 A. Yes, changed some, yes.  
20  
21 Q. What were the posts made of?  
22 A. Timber.  
23  
24 Q. What was the condition of the timber?  
25 A. The condition of the timber, it was awful. It was,  
26 you know, two posts we have to throw it away, you know,  
27 and replace it with new posts.  
28  
29 Q. Did you have some conversation with the owner of the  
30 Abbotsford property about doing that work? That's  
31 Ms Gillard, I mean.  
32 A. Ms Gillard. Not really, you know, not really.  
33 I didn't have a discussion. Only Bill Telikostoglou,  
34 I call him, you know, Bill took me there and said,  
35 you know, "We have to do this and this and this", and it  
36 was Julia's house, he said, you know, and go ahead,  
37 you know, and do it.  
38  
39 Q. So Bill was doing the negotiations for Julia, was he?  
40 A. Yes, yes.  
41  
42 Q. You say that you replaced - I think you said you took  
43 out two posts?  
44 A. Two posts it was, yes.  
45  
46 Q. You replaced them, did you?  
47 A. Yes.



1  
2 Q. What did you replace them with?  
3 A. With timber.  
4  
5 Q. Yes, but what kind of posts did you put in?  
6 A. It was posts, you know, timber posts. It was 10  
7 by 10. If I remember, it was 100 by 100, it was, the  
8 posts, you know.  
9  
10 Q. Ms Gillard wasn't happy with the posts you put in; is  
11 that right?  
12 A. One post she was not very happy, yeah, because it was  
13 not matching of the other - it was not matching the other  
14 four posts, you know.  
15  
16 Q. It didn't match it, is that what you said?  
17 A. Yes.  
18  
19 Q. Can I ask you - well, was her complaint that you'd put  
20 in - did she say to you that you'd put in decorative posts  
21 chiselled out with patterns; was that what she said?  
22 A. Yes.  
23  
24 Q. She said that to you?  
25 A. Yes.  
26  
27 Q. And she wasn't happy?  
28 A. She wasn't happy, no, no.  
29  
30 Q. She wanted plain ones. With the fence, because you  
31 said you did the front verandah and the front picket fence,  
32 did you build the fence from scratch?  
33 A. No, no, no. The fence, you know, was about two metres  
34 picket fence. It was, you know, it was ragged, you know,  
35 and we fixed it, you know.  
36  
37 Q. Who built the fence?  
38 A. I don't know, you know.  
39  
40 Q. Did Bill Telikostoglou build the fence?  
41 A. I don't know who did it, you know. My carpenter did  
42 the fence and I have, you know, some workers, you know,  
43 did the tiles in there. I was not there - say, I was not  
44 the carpenter, you know, who did, you know, the posts and  
45 the tiles, you know.  
46  
47 Q. I see.

1 A. The tiles, you know, I have a tiler, you know, who did  
2 the tiles, you know, and I have, you know, my carpenter who  
3 did, you know, the posts and the picket fence in the  
4 front. You know, I think it was couple of metres only,  
5 you know; it was the picket fence, you know, we fixed up.  
6  
7 Q. Oh, I see. I hadn't appreciated that. You had  
8 subcontractors doing some of this work for you?  
9 A. I had some workers, you know, from my --  
10  
11 Q. I see. When you say in your statement "the work  
12 I undertook", you mean you caused some subcontractors to do  
13 the work?  
14 A. Yes.  
15  
16 Q. And they were on site, were they?  
17 A. Yes. Yes.  
18  
19 Q. How many workers were doing the tiling?  
20 A. Two.  
21  
22 Q. Two. I take it the tilers didn't do the fence?  
23 A. No, no, no. The carpenter did the fence and the  
24 posts, you know, the carpenter did that.  
25  
26 Q. What exactly did the carpenter do?  
27 A. The carpenter did the posts, the timber posts.  
28  
29 Q. On the verandah?  
30 A. And a couple of metres - if I remember very well, it  
31 was a couple of metres, you know, of the front fence.  
32  
33 Q. How long did it take to do the work?  
34 A. I think the tilers was, he was a couple of days in  
35 there, more than a couple of days he was, I think, and the  
36 carpenter was one-and-a-half days.  
37  
38 Q. You weren't present on the job when that was  
39 happening; is that right? You left it to the  
40 subcontractors?  
41 A. I left it to my workers; it was not subcontractors,  
42 you know. They're working, you know, by day, you know.  
43  
44 Q. Ms Gillard wasn't happy with the fence, the work done  
45 on the fence either, was she?  
46 A. No. No.  
47

1 Q. And she complained about it?  
2 A. No, not for the fence.  
3  
4 Q. She what?  
5 A. Not for the fence.  
6  
7 Q. She was happy with the fence?  
8 A. She was - she was not complaining for the fence. The  
9 only complaining was, you know, for one post.  
10  
11 Q. One post on the verandah?  
12 A. Yes, because we cannot find, you know, the same  
13 post, you know, what it's called, and put, you know, a  
14 different, just a bit, you know, different style, you know,  
15 of post and she doesn't like it, you know.  
16  
17 Q. Did the tilers finish the tiling work on the verandah?  
18 A. Yes.  
19  
20 Q. Didn't she complain to you that they hadn't finished  
21 the job?  
22 A. No, they finished the job.  
23  
24 Q. Did they have to come back and finish it after a  
25 complaint was made?  
26 A. No, it was finished completely. You know, the only  
27 thing, you know, it was, you know, on the side, if  
28 I remember, on the side because the tiles, you know, on the  
29 top of the verandah and on the side, it was about 30, 300,  
30 you know, high, we have not enough tiles because the tiles,  
31 you know, the same tiles, you know, she wants it was not  
32 enough, you know, and it was maybe, you know, few tiles,  
33 you know, missing only, that's it.  
34  
35 Q. You had to come back and finish that, didn't you, or  
36 your workers had to come back?  
37 A. I couldn't remember. You know, I couldn't remember.  
38  
39 Q. You can't remember?  
40 A. I can't remember.  
41  
42 Q. You don't have a clear memory one way or the other?  
43 A. I can't remember, no.  
44  
45 Q. Is it fair to say you don't have a very clear memory  
46 of these events from nearly 20 years ago?  
47 A. Of course, yes, you know.

1  
2 Q. You've forgotten something else, haven't you, that you  
3 did some other work on the Abbotsford property in addition  
4 to what you say in your statement?  
5 A. Nothing else I did.  
6  
7 Q. You did some work on the windows, didn't you?  
8 A. No, no, no, not there.  
9  
10 Q. The windows on the side of the house?  
11 A. No, no, no, nothing else I did.  
12  
13 Q. And you put in wider windows --  
14 A. No, no, I didn't any windows, I didn't any other work.  
15 The only thing I did, you know, I did the tiles, the  
16 posts and couple metres you know of fence, that's all.  
17  
18 Q. Were there windows either on the side of the house,  
19 Victorian windows, or the front of the house?  
20 A. I don't know. I've never been through in the house,  
21 you know.  
22  
23 Q. Isn't this - you've never been inside the house?  
24 A. I've never been inside the house.  
25  
26 Q. Isn't this the position, that you replaced wooden  
27 windows with aluminium sliding windows?  
28 A. Me?  
29  
30 Q. Yes.  
31 A. I didn't. I didn't do, no.  
32  
33 Q. Not you personally perhaps but workers employed by  
34 you?  
35 A. No, no, not my workers, no.  
36  
37 Q. Ms Gillard complained to you about that?  
38 A. Ms Gillard complained about the window. There was one  
39 window I think was aluminium, you know, and I said,  
40 you know, can't put in aluminium, you know, on this wall;  
41 it's not type of house, you know.  
42  
43 Q. I'm sorry, she did complain to you about the windows?  
44 A. She did complain about the windows but I didn't do the  
45 windows; someone else did the windows.  
46  
47 Q. Why did she complain to you if you didn't do the work?

1 A. I don't know.  
2  
3 Q. Isn't this the position that you --  
4 A. It was others, you know, that did the work.  
5  
6 Q. I just want to put this to you, just listen for a  
7 minute. There were two Victorian windows on either side of  
8 the house?  
9 A. Yes.  
10  
11 Q. They weren't functional and the wood was rotting?  
12 A. I did not - you know, I didn't touch the windows and  
13 I don't notice the windows and I did no work on the  
14 windows.  
15  
16 Q. Ms Gillard was unhappy because you replaced the wooden  
17 windows with aluminium sliding doors?  
18 A. I didn't replace any windows.  
19  
20 Q. She raised that with you on a number of occasions?  
21 A. No. Once only she told me when I gave her the invoice  
22 to pay me. When I give her the invoice, you know, the  
23 window it was no good, you know; it was aluminium window.  
24  
25 Q. She said that to you?  
26 A. I said yeah. She said to me and I said, you know,  
27 I didn't do any windows, you know, others did that, not me.  
28  
29 Q. Who did that, do you know?  
30 A. I beg your pardon?  
31  
32 Q. Who did that work?  
33 A. I don't know.  
34  
35 Q. Did Mr Telikostoglou organise that or you don't know?  
36 A. Mr Telikostoglou, I don't know if he organised the  
37 other builders, you know, but --  
38  
39 Q. You say in paragraph 8 of your statement you left an  
40 invoice for Ms Gillard at the Abbotsford property for an  
41 amount of approximately \$3,500?  
42 A. Yes.  
43  
44 Q. Isn't it the case that you left the invoice in  
45 Ms Gillard's letterbox at a much later date?  
46 A. No. I think when I finish the job, you know, I left  
47 the invoice, Gillard was not in there.

1  
2 Q. Well, you say you think. Do you know one way or the  
3 other?  
4 A. I was handling, you know, Gillard's second invoice,  
5 you know, when I find it, you know, in her house, you know.  
6  
7 Q. I will put the question again. You said you think.  
8 Can you remember one way or the other whether you left the  
9 invoice, the first invoice?  
10 A. I couldn't remember, you know, but I think I left,  
11 you know, invoice in her house.  
12  
13 Q. Is the position - I'm sorry, please finish. Is the  
14 position that you're not really sure, sitting here today,  
15 one way or the other?  
16 A. What do you mean?  
17  
18 Q. Is the position that you don't really remember, as you  
19 sit here today, one way or the other?  
20 A. I remember? I couldn't remember, you know.  
21  
22 Q. I'm sorry, I'm finding it hard to understand. Do you  
23 mean "I couldn't remember", is that what you said, or "I  
24 could remember"?  
25 A. I remember - I remember I give her invoice and I left  
26 it in the letterbox when I complete the job.  
27  
28 Q. Yes. That was after you went to the offices of  
29 Slater & Gordon and made a complaint, that you put the  
30 invoice in the letterbox; is that right?  
31 A. No, no, no, no, when I finished the job, you know,  
32 I left an invoice, you know, in her letterbox.  
33  
34 Q. When were you doing this work?  
35 A. It was 1995.  
36  
37 Q. Yes, when in 1995?  
38 A. I couldn't remember, you know, the month, you know,  
39 1995. I couldn't remember. You know, it's 20 years ago,  
40 you know. How I remember?  
41  
42 Q. I just want to suggest this to you, that you did the  
43 work, some time later you went to the offices of the AWU,  
44 you made a complaint about not being paid --  
45 A. I tell you the whole story, you know, nicely, if you  
46 want to hear.  
47

1 Q. I do want to hear, please do.  
2 A. Yeah. I complete the job in Julia Gillard's house and  
3 I complete the job in Australian Workers' Union, the  
4 fittings, and I left an invoice in the letterbox, if  
5 I remember, or under the door, you know, of Julia Gillard  
6 and I didn't get any call back, you know, or payments, you  
7 know, from Julia Gillard. At the same time, when  
8 I complete the job in Australian Workers' Union, you know,  
9 I seek some payments and I have outstanding about \$7,000,  
10 you know, money to receive, so both of them, you know, they  
11 owe me some money. And I went to the office in  
12 Drummond Street in Carlton to collect my money and I find  
13 the offices closed. No-one was in there. So what I did,  
14 I said, "What's going on?" Now, I went to Slater & Gordon.  
15 I'm looking for Julia Gillard. Julia Gillard was not in  
16 there. So I couldn't remember, you know, if they give me  
17 the - Slater & Gordon gives me the address of  
18 Australian Workers' Union in Spencer Street in Melbourne or  
19 it was sign on Drummond Street and I went to Australian  
20 Workers' Union in Spencer Street and I was asking for  
21 Julia Gillard, for Bruce Wilson and Bill, and I was asking,  
22 you know, for my money and I was really, you know, cross,  
23 you know, because they disappear, all of them, you know,  
24 they disappear and I don't know, you know, how to find. So  
25 if you want to hear, you know, the Julia Gillard part  
26 after, you know - I think, you know, after one afternoon  
27 I went to her house and I find Julia Gillard, you know, in  
28 her house and I give her the invoice, you know. It was at  
29 that - I couldn't remember very well, it was about \$3,500,  
30 something like this it was, and Julia said, you know, "Con,  
31 leave it to me and I'll fix you up, you know, I fix you up  
32 in two payments." This is the story. So all I did after  
33 little while, you know, I received one payment, or it was a  
34 bank cheque, and the second payment come in, you know,  
35 follow, you know, a bank cheque.

36  
37 Q. The time that you've just mentioned when you went to  
38 the house and you saw Ms Gillard, you handed her an  
39 invoice?

40 A. Yes, that's right.

41  
42 Q. And that was when an arrangement was made that it  
43 would be paid in two instalments?

44 A. That's correct, yes.

45  
46 Q. You say you'd left an invoice either under the door or  
47 in the letterbox?

1 A. Previously I left.  
2  
3 Q. But that was some months before; is that right?  
4 A. Yes. Yes.  
5  
6 Q. Did you have anything to do with painting work that  
7 was done on the Abbotsford property?  
8 A. No.  
9  
10 Q. Did you observe whether any painters were there when  
11 you were there?  
12 A. No, no.  
13  
14 Q. You didn't notice, but you just wouldn't know one way  
15 or the other?  
16 A. I told you, you know, I never get through to the  
17 house, you know. I did the outside work and never get  
18 through, you know, to the house.  
19  
20 Q. Is this the position that on one occasion  
21 Mr Telikostoglou came to the house while you were there  
22 with another gentleman whose name you may or may not know  
23 but his name was Mr Hem? Do you remember that occasion?  
24 A. I can't remember.  
25  
26 Q. You can't remember?  
27 A. I can't remember.  
28  
29 Q. Do you remember whether Mr Telikostoglou provided some  
30 payment to painters who were working at the house?  
31 A. No.  
32  
33 Q. Do you just not remember, is that what you're saying?  
34 A. Didn't see, you know, any payments, you know.  
35  
36 Q. You didn't see?  
37 A. No, nothing.  
38  
39 Q. Did you see him hand the painters an envelope?  
40 A. No, no.  
41  
42 Q. Are you saying you didn't see it or you don't remember  
43 it, or what are you saying?  
44 A. I didn't see it and, you know, I didn't recall,  
45 you know, Telikostoglou did any payments, you know, to  
46 other people, you know, in front of me. No.  
47



1 Q. But in any event, you had nothing to do with painting  
2 jobs that were going on?  
3 A. Nothing to do.  
4  
5 Q. Can I just come back to your evidence about the work  
6 you did for the AWU.  
7 A. Yeah.  
8  
9 Q. Can I provide you with a photocopy of a cheque.  
10 A. Yes. \$15,000 I receive in here.  
11  
12 Q. And you refer in paragraph 3 of your statement to  
13 receiving a cheque in the sum of \$15,000 which I believe  
14 was a cash cheque?  
15 A. It was a cash cheque, yes.  
16  
17 Q. Pausing there, you can see at the top of the page  
18 there's a photocopy of an AWU Members Welfare Association  
19 cheque in the amount of \$15,000 made out to cash. Is that  
20 the cheque that you received?  
21 A. Yeah.  
22  
23 Q. Why did Mr Wilson pay you in cash, do you know? Did  
24 he say?  
25 A. That my quotation. If you did my quotation, my  
26 quotation was supposed to give me \$15,000 before I start  
27 you know, doing the job. I have to work out, you know, the  
28 glass and all of the fittings and everything. So what's  
29 happened, you know, I finish just a bit the job, I did all  
30 the fittings for the offices, it was seven offices, and  
31 afterwards I received, you know, the \$15,000 and I have to  
32 pay, you know, my workers and I have to pay, you know, the  
33 fitters and I have to pay all of that and ask them, you  
34 know, for cash cheque because I need the money, you know,  
35 and I have to pay them, you know, the people, you know, and  
36 that's why, you know, I was asking, you know, for cash.  
37  
38 Q. You were paying your subcontractors and suppliers; is  
39 that right?  
40 A. Yeah. Yeah. Yeah.  
41  
42 Q. And they preferred cash than cheque?  
43 A. No, my workers, you know, I have to pay them all in  
44 cash, yeah.  
45  
46 Q. Tell me, on the back - there are some notations which  
47 I think are written on the back of the cheque probably -

1 I take it that's someone at the bank, that's not your  
2 writing, or is it your writing?  
3 A. This is my writing.  
4  
5 Q. It's your writing, is it?  
6 A. I think it's my writing. This is my writing, yes.  
7 \$10,000.  
8  
9 Q. It says "K Spyridis bank cheque" and then "5,000  
10 cash"?  
11 A. I don't know if it's my writing.  
12  
13 Q. I must say in fairness --  
14 A. "K Spyridis" is similar my writing is.  
15  
16 Q. I had assumed that was somebody at the bank but in any  
17 event --  
18 A. Yeah, maybe, you know.  
19  
20 Q. So you took \$10,000 by way of a bank cheque and then  
21 you took the rest in cash?  
22 A. Yes. I can explain you that.  
23  
24 Q. Yes.  
25 A. I went to the bank and I cash the cheque because  
26 I need the money, you know, like I said, you know, to pay  
27 my workers. By that time the bank doesn't give you -  
28 doesn't cash you more \$5,000, 1994 , you know, and they  
29 said, you know, "We'll give you \$5,000 and we'll give you a  
30 bank cheque, you know, for the rest, \$10,000," and this is  
31 what's happened with this \$15,000.  
32  
33 MR STOLJAR: Commissioner, could the photocopy of the cash  
34 cheque for \$15,000 drawn on the AWU Members Welfare  
35 Association account be marked for identification?  
36  
37 THE COMMISSIONER: That will be Spyridis MFI-1. Do you  
38 tender into evidence Mr Spyridis's statement of 28 May  
39 2014?  
40  
41 MR STOLJAR: Yes, I do.  
42  
43 THE COMMISSIONER: Does anyone object either to the  
44 receipt of Spyridis MFI-1 or Mr Spyridis's statement?  
45  
46 MR CLELLAND: No, Commissioner.  
47

1 THE COMMISSIONER: They will both be in evidence.  
2  
3 MFI #1 PHOTOCOPY OF CASH CHEQUE FOR \$15,000 DRAWN ON AWU  
4 MEMBERS WELFARE ASSOCIATION AND MR SPYRIDIS'S STATEMENT OF  
5 28/5/2014  
6  
7 MR STOLJAR: Q. Can I just ask you about another  
8 property, that's 85 Kerr Street, Fitzroy.  
9 A. I don't know anything about Kerr Street.  
10  
11 Q. You what, sorry?  
12 A. I don't know anything about Kerr Street.  
13  
14 Q. Can I just ask you this: did you visit  
15 Mr Telikostoglou there from time to time?  
16 A. I couldn't remember, you know.  
17  
18 Q. You said you met him on a number of occasions. Is it  
19 possible that you met him there and you just can't  
20 remember?  
21 A. I met him, you know, in the Greek Club, you know, in  
22 our association, you know, most of the time.  
23  
24 Q. I'm sorry, have you finished?  
25 A. Yes.  
26  
27 Q. It's possible you met him there and you just don't  
28 remember now?  
29 A. Couldn't remember, you know, if I met him.  
30  
31 Q. I know you say in your statement you didn't undertake  
32 any work at the property, but did you do some landscaping  
33 of the backyard? Did you lay some charcoal pavers?  
34 A. No.  
35  
36 Q. I suggest to you that you've just forgotten and that  
37 you did do some work paving the backyard at Kerr Street, do  
38 you agree?  
39 A. No, I don't think so. I did nothing in Kerr Street.  
40  
41 Q. You did some painting work or some of your workers did  
42 some painting work?  
43 A. No, no, no, not any, no.  
44  
45 Q. Is it possible that some contractors that you had did  
46 work there?  
47 A. No, no, you know, I don't know anything about

1 Kerr Street, you know.  
2  
3 Q. Were you ever present at the Abbotsford property when  
4 a Mr Athol James was there, or do you not remember?  
5 A. No, I didn't met anybody in there, you know, no.  
6  
7 Q. Did you ever meet a Mr Ralph Blewitt on the property?  
8 A. No, no, I didn't remember, you know, I meet anybody in  
9 there, no.  
10  
11 Q. Is it fair to say that you weren't at the property  
12 very often?  
13 A. No. You know, apart from the property when my  
14 workers, you know, worked in there, yeah, I was, you know,  
15 say, you know, for half an hour or one hour, you know,  
16 seeing to meet up with them and that's all, you know.  
17  
18 MR STOLJAR: There is nothing further. Thank you,  
19 Commissioner.  
20  
21 THE COMMISSIONER: Dr Hanscombe?  
22  
23 DR HANSCOMBE: Commissioner, we have not applied to  
24 cross-examine Mr Spyridis.  
25  
26 THE COMMISSIONER: Mr Clelland.  
27  
28 <EXAMINATION BY MR CLELLAND:  
29  
30 MR CLELLAND: Q. Mr Spyridis, can I just clarify a  
31 couple of matters with you. At the house in Abbotsford, as  
32 I understand it, you did not do any work inside the house  
33 at any time?  
34 A. No.  
35  
36 Q. Is that correct? You did not do any work at a  
37 property in Kerr Street, Fitzroy?  
38 A. Nothing.  
39  
40 Q. When you arranged to carry out the works for  
41 Ms Gillard, you always understood that she was responsible  
42 for the payment for those works?  
43 A. Yes, of course, that's why, you know, I gave her the  
44 invoice, you know, to --  
45  
46 THE COMMISSIONER: Q. Mr Spyridis, there's a custom that  
47 when witnesses are answering questions, they're entitled to

1 give their answer without being interrupted, so long as it  
2 is an answer. There is another custom which is when  
3 barristers are asking questions, it is best to wait until  
4 that barrister has finished the question and then answer  
5 it.  
6 A. Yes.  
7  
8 MR CLELLAND: Q. If I could just go back to that, you  
9 always understood that Ms Gillard was responsible for  
10 payment for the work done on the property at Abbotsford?  
11 A. Yes.  
12  
13 Q. She did ultimately pay you for that work?  
14 A. Yes.  
15  
16 Q. Whatever works were done, there was some dispute about  
17 the quality of those works, was there not?  
18 A. You know, the only thing was, you know, for the post,  
19 you know, on the verandah, you know.  
20  
21 Q. I want to suggest to you that there was in fact some  
22 work done on some windows and there was some  
23 dissatisfaction about that issue as well?  
24 A. I did not the windows.  
25  
26 Q. All right. I understand that. And there was, can  
27 I suggest, work done on the fence but that work was not  
28 completed by you or people working for you?  
29 A. No, I did only part of the fence, you know, only two  
30 metres - as I had - approximately 2 metres, you know,  
31 replaced the fence. It was ragged, you know, and I replace  
32 it, you know. This is the job what I did in their picket  
33 fence.  
34  
35 Q. Finally, I think you say that there was an occasion  
36 where you delivered an invoice to Ms Gillard, either  
37 placing it under the door or in the post box?  
38 A. Yes, I think - yes, if I recall, you know, I think  
39 I left, you know, an invoice and second invoice, you know,  
40 I delivered to her, you know, because it was delaying, you  
41 know, payment.  
42  
43 Q. Are you certain there were two invoices?  
44 A. I couldn't remember. I couldn't remember.  
45  
46 MR CLELLAND: I think the witness's answer was "I couldn't  
47 remember", Commissioner.

1  
2 THE COMMISSIONER: Yes, that is so.  
3  
4 MR CLELLAND: Those are the questions, Commissioner.  
5  
6 THE COMMISSIONER: Yes, thank you, Mr Clelland. Anything  
7 further, Mr Stoljar?  
8  
9 MR STOLJAR: No, Commissioner.  
10  
11 THE COMMISSIONER: Q. Mr Spyridis, thank you for coming  
12 up here to give the evidence. You're excused from further  
13 attendance.  
14 A. Thank you very much. Thank you.  
15  
16 <THE WITNESS WITHDREW  
17  
18 MR STOLJAR: The next witness is Mr Hem. While we're  
19 waiting for Mr Hem, I omitted to provide to the Commission  
20 for the records the original of Mr Spyridis's statement  
21 dated 28 May 2014.  
22  
23 THE COMMISSIONER: Thank you.  
24  
25 MR STOLJAR: I hand that up now.  
26  
27 THE COMMISSIONER: Thank you.  
28  
29 <WAYNE JOHN HEM, sworn: [10.35am]  
30  
31 <EXAMINATION BY MR STOLJAR:  
32  
33 MR STOLJAR: Q. Your name is Wayne John Hem?  
34 A. Yes.  
35  
36 Q. You're a librarian and researcher by profession?  
37 A. Archivist by profession.  
38  
39 Q. Are you still working as an archivist at the moment?  
40 A. At the moment I'm on a contract with the CER in  
41 Melbourne, filling in four days a week as a records  
42 officer.  
43  
44 Q. You prepared a statement in these proceedings, being  
45 your statement dated 29 May 2014?  
46 A. Yes.  
47

1 Q. Do you have a copy of that statement with you?  
2 A. Yes.  
3  
4 Q. I can provide a copy to you.  
5 A. I have it in front of me.  
6  
7 Q. Are the contents of that statement true and correct?  
8 A. True and correct.  
9  
10 MR STOLJAR: I ask that that statement be received into  
11 evidence, Commissioner.  
12  
13 THE COMMISSIONER: Any objection?  
14  
15 DR HANSCOMBE: No, Commissioner.  
16  
17 THE COMMISSIONER: That will be received in evidence.  
18  
19 MR STOLJAR: I hand up for the Commission's record the  
20 original of Mr Hem's statement.  
21  
22 STATEMENT OF WAYNE JOHN HEM DATED 29/05/14  
23  
24 Q. Can I just ask you some questions about your  
25 statement, Mr Hem. First of all, in late 1994 what were  
26 you doing at the AWU?  
27 A. I started at the AWU as the librarian cum research  
28 officer cum records officer within the union.  
29  
30 Q. Yes. Were you working with Mr Wilson?  
31 A. Yes, Bruce was the state secretary at the time.  
32  
33 Q. You mention in your statement the National  
34 Construction Branch. Did you join Mr Wilson in that  
35 branch?  
36 A. Yes, I did.  
37  
38 Q. What were you doing once you'd joined that branch?  
39 A. I was to set up filing systems, look after the  
40 paperwork and records.  
41  
42 Q. I won't go through the whole of your statement, but  
43 I'll just ask you a few questions. You have mentioned in  
44 your statement doing some babysitting for Mr Wilson. How  
45 did that come about?  
46 A. His son Ben came across from Perth and Bruce was  
47 apparently at the time rather busy and me being single, I  
48 was asked if I'd mind doing a little bit of babysitting.  
49

1 Q. How often were you doing that, roughly?  
2 A. Probably once or twice a week when Ben was over here  
3 in Melbourne.  
4  
5 Q. Where was Ben staying?  
6 A. Ben was staying at Kerr Street, at Bruce's place.  
7  
8 Q. You also picked up Ben from school from time to time;  
9 is that right?  
10 A. From time to time when Bruce was extremely busy in the  
11 office, he'd ask me to drop down and pick him up from  
12 school and take him home to Kerr Street and wait until he  
13 got home.  
14  
15 Q. Did you stay at Kerr Street from time to time?  
16 A. From time to time. I stayed a couple of nights, if my  
17 recollection's correct, in about June of - early June in  
18 1994/95. Periods of a couple of days, a couple of times a  
19 week, when Bruce was suddenly called away interstate for  
20 meetings. When Ben was staying in Melbourne, I'd stay and  
21 look after Ben.  
22  
23 Q. Tell me about the house itself. Did it look like an  
24 office or did it look like a house, what did it look like?  
25 A. No, it was a house. The description of it, I can give  
26 it to you if you like?  
27  
28 Q. Yes, please.  
29 A. It was an old 1930s, 1940s style house. It had been  
30 modernised a bit over time. You walked in through the  
31 front door and you had a lounge room on your left and a  
32 parlour-type room on your right. You walked down the  
33 corridor a bit and you - before the stairwell, you had a  
34 study or an office, more likely Bruce used it occasionally  
35 as an office, and you walked straight down beside the  
36 stairs to a laundry on your left and an open plan kitchen  
37 which opened out with a couple of double - large glass  
38 double doors which slid back and opened into the backyard.  
39  
40 Q. Right.  
41 A. And upstairs there was, if I remember right, three  
42 bedrooms, two normal size and one very small, sort of loft  
43 style bedroom. Bruce's bedroom was the front bedroom,  
44 Ben's bedroom was the middle one, and sometimes a guest or  
45 whatever in the loft.  
46  
47 Q. Did you notice some meetings or the like taking place



1 at the property?  
2 A. Not that I know of.  
3  
4 Q. You describe in your statement an occasion when  
5 Mr Wilson gave you some money in cash and asked you to put  
6 it into an account. Can you tell us about what happened  
7 then?  
8 A. Well, Bruce and Bill had just come back, had just come  
9 in for the morning, they both looked rather scruffy. Bruce  
10 and Bill.  
11  
12 Q. Is that Mr Telikostoglou?  
13 A. Yes. Everyone called him "Bill the Greek" because  
14 no-one could pronounce his name, and don't ask me the name  
15 either.  
16  
17 THE COMMISSIONER: Q. You said they came in looking  
18 scruffy?  
19 A. And then - I said to them both, "How did the night  
20 go?" - they looked like they'd been out on the town - and  
21 Bruce said, "Not bad." And Bill said, "Oh no, it was a  
22 shocker. It was a really shocking night." And then Bruce  
23 went down to his office, Bill went and made a cup of  
24 coffee, and Bruce called me into his office and handed me a  
25 great wad of cash and said, "Could you go and bank this  
26 please?", and I said, "What account?" And he said, "I'll  
27 give you that", and I said to him, "How much is there?" He  
28 said, "About \$5,000." So I actually counted it to make  
29 sure there was \$5,000 there and looked at it and thought,  
30 yep, after counting it, folded it back up. He gave me the  
31 account number and I said I needed the account name because  
32 they wouldn't accept it down at the bank. So it was Julia  
33 Gillard and I said, "Okay. I'll be back shortly." And  
34 before I walked out the door he said, "Please bring me back  
35 the details, no-one else is to see it." So I brought him  
36 back, after going down to the bank which was the  
37 Commonwealth Bank down in Victoria Street, I gave him back  
38 the details and thought no more of it.  
39  
40 Q. Did he tell you why he wanted you to put that money  
41 into the bank, into Ms Gillard's account?  
42 A. No, he didn't, actually, and at the time I didn't even  
43 bother asking.  
44  
45 Q. You also describe in your statement going with  
46 Mr Telikostoglou to a property in Abbotsford and there was  
47 some work being done by some painters?

1 A. Yes, there was. Bruce had had some renovations done  
2 in his place by Con, and a couple of weeks after that Bruce  
3 had said there was some work going on at the house at  
4 Abbotsford. So Bill and I, going somewhere originally and  
5 he said, "Oh, hang on a sec, we've got to go via  
6 Abbotsford." So he took me to the house in Abbotsford and  
7 we got out and we went inside. Con was in the back kitchen  
8 area doing tiling and there was a couple of painters which  
9 I had seen before, I believe that they were Con's  
10 subcontractors or staff, and Bill took an envelope and some  
11 money out of his pocket and gave it to him and said - I  
12 don't know exactly what was said because he spoke it in  
13 Greek to them and we had a quick look around the house,  
14 quite a nice roomy little house, and then we left.

15  
16 Q. When you first started giving your answer, you said  
17 that some work had been done on Bruce's place in Kerr  
18 Street. How do you know work was done there?

19 A. Well, the work was done that Con had done some  
20 painting and had put some painting down out the backyard,  
21 and Con said how do I know that. It's because I had to go  
22 there a couple of times to make sure that the work was  
23 proceeding, that he'd done the work.

24  
25 Q. Who asked you to do that?

26 A. Bruce.

27  
28 MR STOLJAR: Nothing further. Thank you, Commissioner.

29  
30 THE COMMISSIONER: Q. What do you believe was the  
31 surname of Con?

32 A. I do not know the surname honestly of Con. I was  
33 introduced to him as Con and that's all I knew him as.

34  
35 THE COMMISSIONER: Thank you.

36  
37 MR STOLJAR: There's just one matter that I'm just  
38 reminded I didn't cover.

39  
40 Q. Can I just ask you this, Mr Hem. You describe going  
41 with Mr Telikostoglou to a house in Abbotsford. Did you  
42 know whose house it was at that time?

43 A. At that time, no. A couple of weeks after that, when  
44 the place was just on finished, Bruce said, "Oh, Julia's  
45 moving back into her house after we've done the  
46 renovations." And I said, "Oh, okay." And that's how  
47 I finally knew it was Julia Gillard's house.

1  
2 Q. Did he indicate what the address was or something?  
3 Did he mention the --  
4 A. Oh, the address is 38 or something, I can't remember  
5 the actual address. I can take someone there. I've been  
6 past it a couple of times.  
7  
8 Q. In any event, you became aware some time later through  
9 talking to Mr Bruce Wilson --  
10 A. It was Julia Gillard's house.  
11  
12 Q. -- that the house you'd gone to was Ms Gillard's  
13 house?  
14 A. Yes.  
15  
16 <EXAMINATION BY MR CLELLAND:  
17  
18 MR CLELLAND: Q. The money that you suggest Mr Wilson  
19 handed you in cash and asked you to bank, Mr Hem, can you  
20 tell his Honour what denominations the cash was in?  
21 A. 50s, 100s, 20s, 10s.  
22  
23 Q. You understand I'm not asking you to guess. I'm  
24 actually asking you to say, if you can, with certainly what  
25 denominations --  
26 A. I can be certain that it was in 100s, 10s, 20s, 50s.  
27 With certainty, I can answer that it was in 100s, 50s, 20s  
28 and 10s.  
29  
30 Q. Were there \$10 notes, \$20 notes, \$50 notes and \$100  
31 notes in the wad that you say Mr Wilson gave you?  
32 A. Yes.  
33  
34 Q. You're 100 per cent sure about that, are you?  
35 A. I'm 100 per cent sure about that.  
36  
37 Q. It came to you in a wad of notes when Mr Wilson handed  
38 it to you?  
39 A. He handed me a wad of notes and said - he said to me  
40 "There's roughly \$5,000 there." So I actually stood in  
41 front of him and actually counted out the amount.  
42  
43 Q. And you saw him take these notes out of his pocket?  
44 A. In actual fact, he had them in his coat pocket, out of  
45 his trouser pocket. He took it out of his jacket pocket  
46 and sat on his desk and handed it to me and I counted it in  
47 front of him.

1  
2 Q. So I understand, you saw him reach into a coat pocket  
3 and pull out a wad of notes?  
4 A. Yes.  
5  
6 Q. 10s, 20s, 50s and 100s?  
7 A. Yes.  
8  
9 Q. Just one other matter I want to ask you about just by  
10 way of preliminaries, you said that you'd seen the painters  
11 that you saw at the house at Abbotsford that you later came  
12 to learn was Ms Gillard's house, you say that you'd seen  
13 those painters previously?  
14 A. Yes, I had seen them previously at Kerr Street.  
15  
16 Q. In addition to the statement that you have provided to  
17 the Royal Commission, you had previously made a statement  
18 or statements, plural, to the Victoria Police; is that  
19 right?  
20 A. Yes.  
21  
22 Q. Back in 2013?  
23 A. Yes.  
24  
25 Q. And in that statement or those statements, you  
26 referred to statutory declarations that you had sworn to  
27 Mr Cambridge back in 1996?  
28 A. Yes.  
29  
30 Q. And also to The Australian newspaper in October 2012;  
31 is that right?  
32 A. Yes.  
33  
34 Q. What do you say about the accuracy of those statutory  
35 declarations, Mr Hem, were they true and correct?  
36 A. They were true and correct at the time. The  
37 Mr Cambridge one, no-one knows where that statutory  
38 declaration is.  
39  
40 Q. Did you also conduct interviews over a number of days  
41 with a journalist from The Australian newspaper which were  
42 published in that newspaper in November 2012?  
43 A. Yes.  
44  
45 Q. And you no doubt read with interest what the  
46 journalist recorded of the conversation with you and  
47 published?

1 A. Yes.  
2  
3 Q. And was that also true and accurate?  
4 A. Yes.  
5  
6 Q. Apart from those matters, have you made any other  
7 formal statements regarding the matters that you've been  
8 asked about this morning; that is, the cash deposits or the  
9 taking of moneys to the house in Abbotsford?  
10 A. No.  
11  
12 Q. When you made your police statements, what documents  
13 did you have in your possession, Mr Hem?  
14 A. I had no documents that I know of.  
15  
16 Q. In your statement to this Commission you refer at  
17 paragraph 18, Commissioner, to the delivery of some papers  
18 to Ms Gillard, you say, on behalf of Mr Wilson?  
19 A. Yes.  
20  
21 Q. Can I ask you at the time you say you did that, how  
22 long you'd lived in Melbourne?  
23 A. I was born and bred and live in Melbourne.  
24  
25 Q. Is there any reason why you can't say where it was in  
26 the CBD that you attended on that day?  
27 A. Well, at the time - when I asked about it, Slater &  
28 Gordon were in Latrobe Street.  
29  
30 Q. Where did you go?  
31 A. Slater & Gordon.  
32  
33 Q. So you're telling the Commission that you went to  
34 Slater & Gordon in Latrobe Street on that occasion?  
35 A. No. I went to Slater & Gordon, but to be 100 per cent  
36 honest, I could not recollect at the time where I went,  
37 which part of Melbourne that Slater & Gordon were in at the  
38 time.  
39  
40 Q. Did you know Ms Gillard at that time?  
41 A. No. I had not actually - I had not - I had never  
42 ever, and to this day, formally had met Ms Gillard.  
43  
44 Q. When Mr Wilson, as you say, asked you to deliver some  
45 papers to her, did you write down the name so that you  
46 could remember it?  
47 A. I did not have to write down the name to remember it.

1 It was on the envelope, and the subject matter was on the  
2 envelope too.  
3  
4 Q. On the envelope that you describe, did it say  
5 something about the AWU welfare fund, did it?  
6 A. Yes, and Mr Wilson also told me what the papers were  
7 about.  
8  
9 Q. Leaving aside what Mr Wilson said for the moment, you  
10 say that there was an envelope that had not only  
11 Ms Gillard's name and address but also on the outside made  
12 reference to the AWU welfare fund; is that your evidence?  
13 A. Yes.  
14  
15 Q. Prior to today, had you told anybody, including the  
16 police, that the envelope that the papers were in not only  
17 had Ms Gillard's name on it but also made specific  
18 reference to the AWU welfare fund?  
19 A. No, because no-one's ever asked.  
20  
21 Q. I see. At that time, did you know anything about the  
22 AWU welfare fund?  
23 A. Yes. I was putting - I was putting money into the  
24 welfare fund, depositing money into it on instructions from  
25 Mr Wilson.  
26  
27 Q. Is it your evidence that you went to Slater & Gordon  
28 wherever it was at that time and Ms Gillard came out from  
29 reception to take those from you?  
30 A. Yes.  
31  
32 Q. And you are sure about that, are you?  
33 A. Yes, I am sure about that.  
34  
35 Q. Going back to the issue of depositing money into the  
36 bank account, the version that's in both your Victoria  
37 Police statement and, as a result, the Royal Commission's  
38 statement, what you say is that Mr Wilson took the wad of  
39 notes out of his pocket and then wrote a bank account  
40 number on a piece of paper?  
41 A. Yes.  
42  
43 Q. Do you agree that's what you said in those statements?  
44 A. Yes.  
45  
46 Q. That he then handed you the cash and a piece of paper  
47 and asked you to deposit the cash into a bank account?

1 A. Yes.  
2  
3 Q. That the paper didn't have a name on it?  
4 A. No, it didn't have a name on it.  
5  
6 Q. You, according to the statements, looked at it and  
7 asked him to tell you whose account it was?  
8 A. Yes.  
9  
10 Q. And then you handed him the paper back so he could  
11 write the details?  
12 A. Yes.  
13  
14 Q. And according to you, he then wrote Julia Gillard's  
15 name on the paper and handed it back to you?  
16 A. Yes.  
17  
18 Q. You asked him, "What bank?"  
19 A. Yes, I asked him what bank because I had to either go  
20 down the road to the Commonwealth or further away. So when  
21 he said the Commonwealth, it was only a block and a half  
22 from the office.  
23  
24 Q. You asked him, you say, in those statements, how much  
25 was there, he told you \$5,000 but, nonetheless, you counted  
26 it to verify it?  
27 A. Yes.  
28  
29 Q. Mr Cambridge has told this Commission that you told  
30 him that the cash given to you by Mr Wilson was in an  
31 envelope - that's paragraph 298 of Mr Cambridge's  
32 statement, Commissioner.  
33 A. No, it wasn't in an envelope. It was actually in a  
34 wad.  
35  
36 Q. Mr Cambridge also says that you told him the money was  
37 in an envelope which contained approximately \$5,000 in \$100  
38 and \$50 notes. Did you tell him that?  
39 A. I counted it. I know how much it was, \$5,000, and  
40 I know the categories.  
41  
42 Q. My question is slightly different. Did you tell  
43 Mr Cambridge that it was \$100 and \$50 notes?  
44 A. I told him it was \$100 and \$50 notes but I didn't tell  
45 him the whole lot was \$100 and \$50 notes. Our conversation  
46 was just to Mr Cambridge, was just a general conversation  
47 about how much there was in money to put in the bank.

1 I said it was \$50, \$100 notes; didn't say how many 50s, how  
2 many 100s; didn't say how much it was.  
3  
4 Q. Did you tell him that Mr Wilson had handed you an  
5 envelope containing the money?  
6 A. No.  
7  
8 Q. You didn't say that to him at all?  
9 A. Pardon?  
10  
11 Q. You did not say that to him at all?  
12 A. No.  
13  
14 Q. Did you say something to the effect of, "Is this for  
15 me?", when Mr Wilson --  
16 A. Yes, I always used to have this joke with Bruce about  
17 cheques and money.  
18  
19 Q. Are you saying that when Mr Wilson handed you the cash  
20 asking you to deposit it into a bank account, you asked  
21 him, "Is this for me?"  
22 A. Yes. Like all the cheques he used to give me, I'd  
23 say, "Is this for me?" Even if it was \$20,000 and \$30,000  
24 cheques I used to always say to him, "Is this for me?", and  
25 then he'd say, "No, you have to bank this stuff."  
26  
27 Q. Did you tell the journalist from The Australian in or  
28 around November 2012 that Mr Wilson handed you a piece of  
29 paper with the account number and a name on it and it was  
30 Julia's name?  
31 A. Yes.  
32  
33 Q. That was your account of Mr Wilson handing you the  
34 piece of paper and the detail that was on the paper when he  
35 handed it to you?  
36 A. No, the detail - the account number was on the paper,  
37 not the detail of the account name. I had to ask - I was  
38 just asked by the journalist and I just said yes, I handed  
39 the piece of paper with the account number and Julia's name  
40 on it. I didn't explain how Julia's name got on it.  
41  
42 Q. Did you tell the journalist from The Australian that  
43 after you'd said, "Is this for me?", Mr Wilson said, "No,  
44 I want you to put it into a bank account. "I said, 'Okay.'  
45 He then said, "Hang on, I'll give you the bank account name  
46 and number", and Mr Wilson then handed you a piece of  
47 paper --



1 A. With the account number on it and I asked him to put  
2 the name on it.  
3  
4 Q. Let me finish, please. And Mr Wilson then gave you  
5 the paper with the account number and name on it? Did you  
6 tell --  
7 A. No, the account number - he only handed me the  
8 account - a piece of paper with the account name - account  
9 number and I asked for the account name.  
10  
11 Q. Could you just attend to my question, if you wouldn't  
12 mind. Did you tell the journalist from The Australian --  
13 A. I just told him that --  
14  
15 Q. Just let me finish please, Mr Hem.  
16 A. I just told the journalist that the piece of paper had  
17 the account number and name on it. I did not say how it  
18 got on - how the name got on the account number.  
19  
20 THE COMMISSIONER: Q. Mr Hem, when Mr Clelland is asking  
21 questions - Mr Hem - it is best to just listen and let him  
22 finish the question. If there is some problem with the  
23 question there might be an objection, but it is best for  
24 him to ask the question, then you answer the question,  
25 otherwise it is very hard to follow the evidence because  
26 his question will be chopped up by your answer.  
27 A. Okay. Sorry, your Honour.  
28  
29 MR CLELLAND: Q. Did you tell the journalist from The  
30 Australian in November of 2012 that Mr Wilson, in answer to  
31 your question, "Is this for me?", said, "No, I want you to  
32 put it into a bank account." You then said, "Okay." And  
33 he said, "Hang on, I'll give you the bank account name and  
34 number", and then handed you a piece of paper with the  
35 account number and name on it. Did you tell the journalist  
36 that?  
37 A. Yes, I did tell the journalist that.  
38  
39 Q. Do you see a difference between what you've told this  
40 Commission about the exchange with Mr Wilson and what you  
41 told The Australian newspaper?  
42 A. Yes, because the journalist didn't ask me if the paper  
43 had the name on it, or did I get Mr Wilson to put the name  
44 on it.  
45  
46 Q. Do you say, though, that from what was said to you by  
47 Mr Wilson, that it was clear that it was Julia Gillard's

1 bank account?  
2 A. Yes.  
3  
4 Q. Did you tell the journalist from The Australian  
5 newspaper, again in November 2012, "I didn't know if it was  
6 for Julia or if the account was a private account or a  
7 Slater & Gordon account."  
8 A. Yes. At the time, yes.  
9  
10 Q. You did say that to the journalist from The  
11 Australian, did you?  
12 A. Yes, and I say that now because originally I didn't -  
13 I knew that Julia was a solicitor, I did not know if the  
14 account was her private account, or her business account,  
15 or a Slater & Gordon account.  
16  
17 Q. In terms of the information that this was Julia  
18 Gillard's account, or the name of the account, I just want  
19 to clarify what your evidence is. Do you say that that was  
20 written on a piece of paper that Mr Wilson gave to you  
21 initially, or did you hand back a piece of paper that had  
22 an account number on it, asking Mr Wilson to put  
23 Ms Gillard's name on it?  
24 A. I asked - I asked Mr Wilson to put the person's name  
25 of the account on the piece of paper.  
26  
27 Q. Can I just deal very briefly with the other matter  
28 that you've been asked some questions about this morning  
29 and that is the occasion that you've related where you say  
30 you were present with the man Bill at the house you came to  
31 know was Ms Gillard's when some money was handed over?  
32 A. Yes.  
33  
34 Q. I think we've established that the person who you saw  
35 handed the money was a painter; is that right?  
36 A. Yes.  
37  
38 Q. And that was a person you recognised as having done  
39 work previously at Kerr Street?  
40 A. Yes.  
41  
42 Q. The item that you saw actually handed to that person,  
43 according to you, was an envelope?  
44 A. Yes, it was an envelope, and I was told by Bill the  
45 Greek that it was payment for the painting and renovations.  
46  
47 Q. You were told, you say, by Bill the Greek that it was

1 payment for painting and renovations?  
2 A. Yes.  
3  
4 Q. Payment and renovations where, Mr Hem?  
5 A. At the address that the painters and Con were working  
6 at.  
7  
8 Q. When you made your statement to the police, and again  
9 when you swore your statement for this Royal Commission,  
10 you said that the man you knew as Bill told you that he  
11 said he had to go to the house to pay some tradesmen?  
12 A. Yes.  
13  
14 Q. Is that right?  
15 A. Yes.  
16  
17 Q. And you were asked a series of questions about this  
18 episode by the Victoria Police and, I assume, people  
19 speaking to you on behalf of this Commission; is that  
20 right?  
21 A. Yes.  
22  
23 Q. Did you ever tell Victoria Police, or anybody else  
24 asking you questions about this matter, that Bill had said  
25 this was payment for renovations on Ms Gillard's house?  
26 A. Well, payments on the house.  
27  
28 Q. Did you ever tell them that?  
29 A. I did not say - Bill said it was payments for the  
30 renovations and I did not take --  
31  
32 Q. Right. So can we --  
33 A. I did not say --  
34  
35 Q. I might have interrupted you, Mr Hem, keep going.  
36  
37 THE COMMISSIONER: Q. Have you finished your answer  
38 Mr Hem?  
39 A. Pardon?  
40  
41 Q. Are you happy that you have finished your answer to  
42 Mr Clelland's last question?  
43 A. Yes.  
44  
45 MR CLELLAND: Q. What he said, according to you, was it  
46 was payment for the renovations?  
47 A. Yes.

1  
2 Q. And you have, what, inferred that that was renovations  
3 at Abbotsford rather than Kerr Street, have you?  
4 A. Yes.  
5  
6 Q. But you don't know?  
7 A. No, it was Abbotsford, because Kerr Street was already  
8 finished and - finished weeks before.  
9  
10 Q. Yes.  
11 A. And I presume - I presume it was paid for.  
12  
13 Q. Do you? So because it had been finished weeks before,  
14 you presumed it was paid for, notwithstanding that the  
15 person who you say Bill gave the envelope to had been  
16 working, to your knowledge, at Kerr Street as well?  
17 A. Yes.  
18  
19 Q. Did you tell his Honour that you walked around the  
20 house looking at it when you went in?  
21 A. I didn't walk around all the house. I went into - we  
22 entered into the front of the house and there was a lounge  
23 room on my left and a bedroom on my right. I had a look in  
24 the bedroom on my right and went into the - had a good look  
25 around the lounge room. I did not go out into the kitchen  
26 because I could see through the doors of the kitchen that  
27 Con was still tiling. I didn't enter any further into the  
28 house.  
29  
30 Q. That's what you really use as a bit of a marker for  
31 this apparent recollection, that Con was doing tiling in  
32 the kitchen; is that right?  
33 A. Yes.  
34  
35 Q. Yes. But this was a house belonging to somebody you  
36 didn't know?  
37 A. I actually - to be honest assume --  
38  
39 Q. Is that right or not?  
40 A. Actually, I did not know because I actually assumed it  
41 was a union house.  
42  
43 Q. Did you?  
44 A. I did not know --  
45  
46 Q. Did you ask Bill about that when you walked into the  
47 house with him?

1 A. No.  
2  
3 MR CLELLAND: Those are our questions for Mr Hem,  
4 Commissioner.  
5  
6 THE COMMISSIONER: Do you have anything, Dr Hanscombe?  
7  
8 DR HANSCOMBE: Yes.  
9  
10 <EXAMINATION BY DR HANSCOMBE:  
11  
12 DR HANSCOMBE: As counsel assisting asked us, Mr Clelland  
13 and I have endeavoured not to overlap, but there are a few  
14 things that concern Mr Wilson and not Mr Clelland's client.  
15  
16 Q. You began, Mr Hem, by saying to Mr Stoljar that you  
17 had prepared your statement. Does that mean you wrote it  
18 yourself or was it written by Commission staff for you?  
19 A. It was prepared from the police statement.  
20  
21 Q. From the police statement. Okay. So you didn't  
22 actually write it?  
23 A. No.  
24  
25 Q. Did anybody help you when you went through the draft  
26 statement that had been made for you?  
27 A. No.  
28  
29 Q. You had, as Mr Clelland said, made various statements  
30 about these events over the years. Have you talked to a  
31 man called Harry Nowicki about what you recollect?  
32 A. No. Heard of the man. Never met him; never seen him.  
33  
34 Q. You've never talked to him?  
35 A. Never talked to him.  
36  
37 Q. So if Mr Nowicki was aware back in 2012 what you would  
38 say about this \$5,000, he didn't gain that information from  
39 you?  
40 A. No.  
41  
42 Q. Do you know how he gained that information?  
43 A. No-one knew about the \$5,000 until the - until it came  
44 out from The Australian when Ian Cambridge's diaries were  
45 read, and that was when it was mentioned in Ian Cambridge's  
46 diaries.  
47

1 Q. Published in The Australian?  
2 A. Published by The Australian.  
3  
4 Q. So you believe that's how Mr Nowicki had that  
5 information about what you would say?  
6 A. Yes, that's the only way anyone would have gained that  
7 information because up until - up until 2000 - up until  
8 2012, 2013, no-one knew about that information except  
9 Ian Cambridge and myself.  
10  
11 Q. Okay.  
12 A. And no-one knew anything about the - other than when  
13 it blew up, about the AWU, me putting money into the AWU  
14 trust account or fund.  
15  
16 Q. You putting money into the AWU trust account?  
17 A. Into the fund.  
18  
19 Q. What fund?  
20 A. Given to me by - the welfare fund, by Bruce Wilson.  
21  
22 Q. I'm sorry, I don't follow that. Who gave you what?  
23 A. All the cheques that went into the AWU trust account,  
24 or AWU welfare fund, no-one knew until it came out in  
25 The Australian, other than certain members of the AWU, the  
26 board and directors, that they knew who was the - what the  
27 fund was about.  
28  
29 Q. Can I come back to this \$5,000. You've given varying  
30 accounts, as Mr Clelland points out, as to whether it was  
31 in an envelope or it wasn't, do you agree with that?  
32 A. I'm sure of my facts. It wasn't in an envelope.  
33  
34 Q. You're sure of that?  
35 A. Yes.  
36  
37 Q. Okay. The papers that you say you delivered to  
38 Ms Gillard at Slater & Gordon's office, you now say were in  
39 an envelope?  
40 A. They were in an envelope. They had her name on the  
41 outside of it and they also had, in small writing "AWU  
42 welfare fund".  
43  
44 Q. How did you know there were papers if what you were  
45 given was an envelope? How did you know what was in it?  
46 A. I know it was papers because it wasn't empty. You  
47 don't give anyone just an empty envelope to deliver.

1  
2 Q. So you don't actually know what was in it, you just  
3 assumed that it had papers in it?  
4 A. No, it had papers in it. Bruce put the papers in it  
5 and told me what the papers were.  
6  
7 Q. Did he?  
8 A. Yes. He told me that the papers dealt with the AWU  
9 welfare fund and I --  
10  
11 Q. And what?  
12 A. And I was to deliver them to Julia. In those days she  
13 was just a solicitor at Slater & Gordon.  
14  
15 Q. So you say Bruce told what they were and you saw him  
16 put them in an envelope?  
17 A. No, I didn't say he put them in the envelope. He told  
18 me what the papers were in the envelope and at that stage  
19 I'd take him on his word.  
20  
21 Q. You took them to Slater & Gordon?  
22 A. Yes.  
23  
24 Q. But you don't know where they were?  
25 A. No, I couldn't remember. To be honest, buildings and  
26 streets, in a hurry I always look for the building and  
27 I couldn't remember the building. I can walk past a  
28 building now and say that was Slater & Gordon years ago or  
29 that was the market or that was that.  
30  
31 Q. Was there a big park over the road from where you  
32 went?  
33 A. Yes, it was opposite, it was opposite the --  
34  
35 Q. The Flagstaff Gardens?  
36 A. Yes, Flagstaff, Flagstaff Station.  
37  
38 Q. So there was a big park over the road from where you  
39 went?  
40 A. Yes. It wasn't - it was over the road, but I can  
41 remember that the building was - I entered - you entered  
42 from Latrobe Street.  
43  
44 Q. Yes, and Latrobe Street faces the Flagstaff Gardens,  
45 doesn't it?  
46 A. Yes.  
47

1 Q. And that's where you went, you're sure of that?  
2 A. Yes.  
3  
4 Q. You say there was a reception desk?  
5 A. Yes, it was actually more like a - what I used to have  
6 in my office, a reception window.  
7  
8 Q. A reception window?  
9 A. Yes, and the door, glass partition, like the  
10 receptionist sitting behind it, moved back the screen.  
11 I asked for - she asked me what I wanted. I said I had to  
12 give some papers to Julia Gillard and she rang Julia.  
13 Julia came down and got them from me.  
14  
15 Q. How far into the bottom floor of the building was  
16 this --  
17  
18 MR STOLJAR: Commissioner, I object to this. The  
19 arrangement was, as I understood it, the subject matter  
20 would be divided up. Mr Clelland has addressed this  
21 incident where papers were delivered to Ms Gillard in some  
22 detail. We're now just going over it again with a second  
23 silk trying to pick holes in Mr Hem's account. In my  
24 submission it is not fair to have two cross-examiners  
25 covering the same ground.  
26  
27 DR HANSCOMBE: Commissioner --  
28  
29 THE COMMISSIONER: Could I just say something and then you  
30 can say something, if you like. What you say is in part  
31 correct, there is some covering of the same ground. On the  
32 other hand, Dr Hanscombe is approaching that common ground  
33 from a different angle, if I can put it that way, and she  
34 is trying to build up a different element of the  
35 circumstantial detail. What do you say, Dr Hanscombe,  
36 about the fairness of your question?  
37  
38 DR HANSCOMBE: Commissioner, exactly so. I have been  
39 careful, and will continue to be careful, not to duplicate  
40 any of the particular subject matter traversed by  
41 Mr Clelland. But this detail, in my submission, was not  
42 traversed by Mr Clelland and in due course may very well  
43 assist you in coming to views about this witness's  
44 evidence.  
45  
46 THE COMMISSIONER: Yes. This particular line you're  
47 taking I think probably doesn't contravene the demarcation



1 zone. It might be better to start with the question again  
2 because Mr Hem may well have forgotten it.  
3  
4 DR HANSCOMBE: Yes, if the Commission please. And if  
5 I trespass on anything Mr Clelland touched on, it certainly  
6 won't be intentional, and I hope that Mr Stoljar will pull  
7 me up, if you don't.  
8  
9 Q. Mr Hem, you've described a reception window; correct?  
10 A. Yes.  
11  
12 Q. How far into the building was this reception window?  
13 A. I think I had to walk up a few stairs and through a  
14 set of doors, and it would have been no more than probably  
15 6 feet through the doors, standard - a standard reception  
16 area.  
17  
18 Q. As you went in, on your left, was there a big cafe in  
19 the bottom floor of the building?  
20 A. It was 20 years ago. There was some sort of shop on  
21 my left. I couldn't say if it was a cafe or not.  
22 I couldn't - I couldn't specifically say if it was a cafe  
23 or not.  
24  
25 Q. So you don't remember seeing a large number of tables  
26 and chairs, and a serving counter with food, and so on?  
27 A. No. I don't remember, no.  
28  
29 Q. But there was a shop?  
30 A. There was some sort of shop, sort of as part of the  
31 building.  
32  
33 Q. There was a receptionist at the window?  
34 A. Yes, at the time there was.  
35  
36 Q. A man or a woman?  
37 A. Woman. A young woman, actually. At the time of my  
38 age I wished I was 20 years younger than that.  
39  
40 Q. Don't we all, Mr Hem, don't we all. She was there and  
41 it appeared that she'd been there for a time. Nobody  
42 called her to come down, that is to say, she was sitting  
43 there when you got there?  
44 A. Yes, she was sitting there and she asked me what I  
45 wanted and I said I had to get some papers to Julia  
46 Gillard. She phoned Julia Gillard, and Julia came down  
47 from where her office was, came out the door and I handed

1 her the papers and she walked back in and said, "Thanks."  
2 I told her that they were from Bruce. She said, "Thank  
3 Bruce very much", and that was it. I turned around.  
4 I walked back out and I think I went back to the car and  
5 drove back - drove wherever I was supposed to be going at  
6 the time.  
7  
8 Q. Julia Gillard, you say, came out of a door?  
9 A. Yes.  
10  
11 Q. Not out of the lift, out of the door?  
12 A. No, she came out the door beside the reception and  
13 collected the papers from me.  
14  
15 Q. Okay. Can I take you briefly to Kerr Street. You  
16 said there was an area that was set up as an office,  
17 correct, on the ground floor?  
18 A. Where, at Kerr Street?  
19  
20 Q. Yes.  
21 A. It was like a study. Bruce used to use it as an area  
22 when Ben wasn't there to do paperwork or whatever, instead  
23 of having it all over the house.  
24  
25 Q. In fact, I suggest to you that there was a meeting  
26 table there at which you could sit six people or  
27 thereabouts?  
28 A. No, there were no meeting tables. The house wasn't  
29 big enough even for - if I had my dining room table, which  
30 is 7 foot 6 long and 5 foot wide in that house now, it  
31 wouldn't have even fitted in the front door and it wouldn't  
32 even have fitted in any of the rooms. So there was no  
33 meeting table, no meetings - no formal AWU meetings held  
34 that I know of, and none of the organisers that I know  
35 would have gone to any meeting at Bruce's house.  
36  
37 Q. How often were you there?  
38 A. Pardon?  
39  
40 Q. How often were you there?  
41 A. I was there probably twice a week.  
42  
43 Q. For how long? Leave aside the evenings when you were  
44 babysitting Ben?  
45 A. Outside babysitting, I'd be - I stayed there a couple  
46 of times when Bruce had no-one else to look after the  
47 house, so probably four, five days at a time. So I know

1 there was no meetings held in the house, not even when  
2 Bruce was there. Not even when Bruce was away or Bruce was  
3 there, because there was no room for meetings.  
4  
5 Q. There were two phone lines into the house; is that  
6 right?  
7 A. Pardon?  
8  
9 Q. There were two phone lines into the house - do you  
10 know that?  
11 A. Yes, there was always two phone lines into the house.  
12 There was two phone lines into the house before Bruce moved  
13 in.  
14  
15 Q. How do you know that?  
16 A. Because when the Telstra bill came to the union one  
17 day, Bruce had said, "Oh, these phones have been on at my  
18 place for umpteen dozen years."  
19  
20 Q. Oh, he volunteered that to you just because the bill  
21 came to the union office?  
22 A. Yes. Because he wanted me - well, he used to give me  
23 bills to go and pay, private bills.  
24  
25 Q. Excuse me --  
26 A. And I only know one active number. And I only know of  
27 one active - I only know of one active number for that  
28 address.  
29  
30 Q. So you're saying there was a bill --  
31 A. Two lines going in.  
32  
33 Q. An account for two lines that was paid even though  
34 only one was ever used; is that right?  
35 A. Yes.  
36  
37 Q. You've said that there were renovations at Kerr  
38 Street.  
39 A. Pardon?  
40  
41 Q. You've said there were renovations done at  
42 Kerr Street?  
43 A. Yes, renovations done at Kerr Street were in paving  
44 out the back which was - there was a patio area, or an area  
45 about 25, 30 feet.  
46  
47 Q. You say a man called Con the builder did that paving?

1 A. Yes.  
2  
3 Q. What did he look like?  
4 A. At the time he would have been about late 30s, early  
5 40s.  
6  
7 Q. A big man, small man?  
8 A. Medium sized. A little bit taller than me. Roundish  
9 face. In those days he would have had darkish hair because  
10 I had darkish hair in those days too.  
11  
12 Q. Have you seen him here this morning?  
13 A. No, I haven't been down here for a while.  
14  
15 Q. Do you know what his second name was?  
16 A. No, I had no idea of his surname. I was always -  
17 always - I always called him Con. I was introduced to him  
18 by Bruce and by Bill as Con.  
19  
20 Q. There was only one Con the builder that you ever met?  
21 A. Yes.  
22  
23 Q. Mr Wilson says that Kerr Street was already renovated  
24 when it was bought. You said he's wrong about that?  
25 A. Yes, it was renovated. The glass doors and that were  
26 already in and everything. All Bruce really did - all  
27 Bruce really did was have it paved out the back so that Ben  
28 could have it as a play area and set up a barbecue area and  
29 a little bit of painting in the laundry and just touch-up  
30 painting.  
31  
32 Q. Can I take you back briefly to this issue of putting  
33 the money in the bank for Ms Gillard. You told the  
34 Commission this morning that Mr Wilson said no-one else was  
35 to see it.  
36 A. Yes, no-one else was to see the bank account number or  
37 anything. I was to give him the details back when I came  
38 back.  
39  
40 Q. This is the first time you've ever said that, do you  
41 agree?  
42 A. Yes.  
43  
44 Q. You didn't tell that to Mr Cambridge back in 1996?  
45 A. No.  
46  
47 Q. You didn't tell it to the police?

1 A. No, no-one asked - no-one even asked.  
2  
3 Q. You didn't put it in the statement?  
4 A. No, and no-one ever asked.  
5  
6 Q. No-one asked this morning. You volunteered it?  
7 A. Yes.  
8  
9 Q. Why was that?  
10 A. Because it's relevant.  
11  
12 Q. Why didn't you tell any of these other people in the  
13 last 20 years when you've been talking about this incident?  
14 A. No-one asked if I was told not to say anything or  
15 whatever.  
16  
17 Q. No-one asked you that this morning?  
18 A. No.  
19  
20 Q. You just volunteered it?  
21 A. I just volunteered it under oath.  
22  
23 Q. Why?  
24 A. I'm telling the truth under oath; I'm telling what  
25 I know.  
26  
27 Q. When you made a statement to the police you signed  
28 that above an acknowledgment that it was the truth and that  
29 if it wasn't the truth, you would be punished for perjury,  
30 didn't you?  
31 A. But they - yes, but I was never asked that question.  
32 I was never told - never given - never asked what I was to  
33 do with that money, the documents when I came back.  
34  
35 Q. You said Mr Wilson had a number of rubber stamps in  
36 his briefcase?  
37 A. Yes.  
38  
39 Q. And you've also said he was a very private person?  
40 A. Yes.  
41  
42 Q. What were you doing looking at his briefcase?  
43 A. He asked me to get something out of it.  
44  
45 Q. Do you know what these are rubber stamps were?  
46 A. Rubber stamps were his signature stamp and the other  
47 was an AWU stamp.

1  
2 Q. His signature stamp?  
3 A. His signature stamp. There was one signature stamp in  
4 his desk, in the office, and one in his briefcase.  
5  
6 Q. And they're the only stamps you saw, an AWU stamp and  
7 a Bruce Wilson signature stamp?  
8 A. Yes.  
9  
10 DR HANSCOMBE: If the Commission please.  
11  
12 THE COMMISSIONER: Anything arising?  
13  
14 MR STOLJAR: No, thank you, Commissioner.  
15  
16 THE COMMISSIONER: Q. Mr Hem, thank very much for  
17 attending here to give evidence. You're excused from  
18 further attendance?  
19 A. Thank you, sir.  
20  
21 <THE WITNESS WITHDREW  
22  
23 MR STOLJAR: That may be a convenient time, Commissioner.  
24  
25 THE COMMISSIONER: We will adjourn until 10 to 12.  
26  
27 SHORT ADJOURNMENT  
28  
29 MR STOLJAR: Commissioner, the next witness is Mr Athol  
30 James.  
31  
32 <ATHOL ERNEST JAMES, sworn: [11.50am]  
33  
34 <EXAMINATION BY MR STOLJAR:  
35  
36 MR STOLJAR: Q. Your full name is Athol Ernest James?  
37 A. That's correct.  
38  
39 Q. And you're a builder by profession?  
40 A. That's right.  
41  
42 Q. Have you retired now or are you still working?  
43 A. I've just about retired.  
44  
45 Q. Do you have an address you carry on business from or  
46 do you do it from home?  
47 A. We're doing it from home now. We've just - we've

1 closed the factory down at Christmastime.  
2  
3 Q. You've prepared a witness statement in these  
4 proceedings?  
5 A. Yes.  
6  
7 MR STOLJAR: That's dated 23 May 2014. I'd ask that that  
8 statement be received into evidence, Commissioner.  
9  
10 THE COMMISSIONER: Is there any objection to that or any  
11 part of?  
12  
13 MR CLELLAND: No objection.  
14  
15 THE COMMISSIONER: That statement of Mr James will be  
16 received into evidence.  
17  
18 STATEMENT OF MR JAMES DATED 23/05/14  
19  
20 MR STOLJAR: Q. If you needed a copy it will come up on  
21 the screen. Would you prefer a hard copy, if you need to  
22 read it? It is often easier reading the hard copy.  
23 A. It probably would be better, yes.  
24  
25 Q. Just a few questions about what's in your statement,  
26 Mr James. You describe in your statement doing some work  
27 at a property in Abbotsford. Can you just tell the  
28 Commission how you came to quote for the job?  
29 A. We were starting out - we were doing building work, a  
30 big construction, but we wanted to get some of the  
31 renovation work and we put ads in the local papers in  
32 Collingwood and that area.  
33 Q. Somebody rang you up, did they?  
34 A. That's correct.  
35  
36 Q. You went to the site and had a look?  
37 A. Exactly, yes.  
38  
39 Q. Did you speak to somebody there?  
40 A. Yes, a Ms Gillard.  
41  
42 Q. Was she on her own or was she with somebody?  
43 A. There was nobody else with her at the time but -  
44 sorry, it was - a gentleman whom I came to know as  
45 Bruce Wilson was there.  
46  
47 Q. You put on a quote?  
48 A. Exactly.

1  
2 Q. You gave a quote. If you look through your statement  
3 and come to page 3 in the bottom right-hand corner, it's a  
4 letter from yourself to Ms Gillard of 24 March 1993. Is  
5 that the quote that you gave her?  
6 A. That's correct, yes.  
7  
8 Q. That was the work you were going to do at this stage?  
9 A. That's correct, yes.  
10  
11 Q. Later on did you come to do more work?  
12 A. Yes, we did.  
13  
14 Q. Some other jobs?  
15 A. Yes.  
16  
17 Q. You've collected some invoices that you've attached to  
18 your statement?  
19 A. That's right.  
20  
21 Q. They begin on page 4 - I'm sorry, 4 looks like another  
22 quote, is it?  
23 A. Yes.  
24  
25 Q. And then some invoices beginning on page 5?  
26 A. That's correct.  
27  
28 Q. There's Competent Housing Repairs. Is that a business  
29 name you had?  
30 A. Yes, that was a business name for this type of work,  
31 which was repairing old houses.  
32  
33 Q. You issued some invoices from time to time?  
34 A. Yes.  
35  
36 Q. I won't take you through each one. You say you only  
37 issued invoices for work you'd completed?  
38 A. That's correct.  
39  
40 Q. Can you tell the Commissioner whether you had  
41 discussions or who you had discussions with when you handed  
42 over invoices?  
43 A. Oh, with Bruce - with Ms Gillard.  
44  
45 Q. Did she say anything to you when you handed her the  
46 invoice?  
47 A. Well, she said that Bruce Wilson was paying for the



1 work on the site but she would get the money from him and  
2 give me her cheque.  
3  
4 Q. Did you ever see Mr Wilson give Ms Gillard anything?  
5 A. Yes, he handed over - on two occasions I saw him hand  
6 over a wad of notes.  
7  
8 Q. Cash sums?  
9 A. Cash notes, yes.  
10  
11 Q. Did Ms Gillard in due course write you a cheque for  
12 your work?  
13 A. That's correct, yes.  
14  
15 MR STOLJAR: I have nothing further, thank you,  
16 Commissioner.  
17  
18 THE COMMISSIONER: Yes. Are you next, Mr Clelland?  
19  
20 MR CLELLAND: Yes, Commissioner.  
21  
22 THE COMMISSIONER: Mr James, Mr Clelland, is representing  
23 Ms Gillard and he will ask you some questions.  
24  
25 <EXAMINATION BY MR CLELLAND:  
26  
27 MR CLELLAND: Q. Who would type up the quotes before  
28 they were provided to a potential client?  
29 A. My wife did that.  
30  
31 Q. How would the quotes have been provided to a potential  
32 client?  
33 A. Either by hand delivery or by post; I can't say which  
34 in this case.  
35  
36 Q. Leave aside this case for the moment, but generally,  
37 was it a case that your wife would type up quotes and they  
38 would be posted?  
39 A. That's correct, yes.  
40  
41 Q. Would your wife also type up invoices?  
42 A. That's correct.  
43  
44 Q. Would they be posted?  
45 A. Yes.  
46  
47 Q. What were the terms of trade for your business at that

1 time, Mr James?  
2 A. We wanted payment as soon as we could get it.  
3  
4 Q. Is that what you would inform your customers, that the  
5 terms of trade or business were that you wished to have  
6 payment as soon as possible, or would you indicate that  
7 payment would be due within 14, 21 or 28 days, or possibly  
8 three months?  
9 A. No, all we said we wanted the payment pretty straight  
10 away, within a few days, a week or two.  
11  
12 Q. I see. Does that appear on any of your business  
13 correspondence or did it appear on any of your business  
14 correspondence at this time?  
15 A. Possibly not.  
16  
17 Q. Would you press somebody for payment if they didn't  
18 pay within 24 hours?  
19 A. No.  
20  
21 Q. 48 hours?  
22 A. No.  
23  
24 Q. At what time would you regard payment as being due?  
25 A. Oh, within 14 days.  
26  
27 Q. Were invoices typically only provided to clients when  
28 the work had been completed?  
29 A. That's true.  
30  
31 Q. Was it your practice to insist on payment by cheque?  
32 A. Yes. I didn't insist on it but that's the way we  
33 always received it.  
34  
35 Q. So if someone had offered cash or had cash available  
36 to pay you, would you accept it?  
37 A. No.  
38  
39 Q. So if someone said, "I've got \$2,000 here in cash to  
40 pay your invoice," you'd say, "I won't accept that.  
41 I insist on a cheque"; is that your evidence?  
42 A. Well, we normally didn't have any - if it was cash  
43 it'd only come off the invoice, it wouldn't be something  
44 hidden.  
45  
46 Q. No, I didn't suggest there was anything improper about  
47 it.

1 A. No.  
2  
3 Q. No doubt you would declare the cash received in the  
4 same way you would declare payment received by cheque?  
5 A. That's true.  
6  
7 Q. But did you have some difficulty with the concept of  
8 receiving cash payment?  
9 A. No.  
10  
11 Q. Would you have regarded cash payment as preferable,  
12 particularly if it was to be made immediately?  
13 A. Oh, it would be good.  
14  
15 Q. Yes. In these particular jobs, as I understand it,  
16 there were some five or so invoices rendered to Ms Gillard  
17 during 1993?  
18 A. That's true.  
19  
20 Q. These are the invoices that now form attachments to  
21 your Commission statement?  
22 A. That's correct.  
23  
24 Q. Were each of those invoices posted to Ms Gillard?  
25 A. I believe so.  
26  
27 Q. Just before I ask you some questions about the work  
28 done and your dealings with Ms Gillard, we're aware,  
29 Mr James, that you provided a statement to the  
30 Victoria Police and indeed that your Commission statement  
31 seems to be derived from that statement to the police; is  
32 that correct?  
33 A. That's correct.  
34  
35 Q. Were you actually interviewed by members of the  
36 Commission staff or have they simply taken extracts from  
37 your Victoria Police statement?  
38 A. Oh, I suppose - I don't know how to answer that, who  
39 they --  
40  
41 Q. Perhaps I can assist you. Were you provided with a  
42 draft statement that had apparently been - this is from the  
43 Commission - drawn from a statement that you had previously  
44 at least signed, made to Victoria Police?  
45 A. That's correct, yes.  
46  
47 Q. My question was before that document was completed

1 were you interviewed by Commission staff about the content  
2 of that statement?  
3 A. Well, I don't know who Commission staff are.  
4  
5 Q. Don't you?  
6 A. No.  
7  
8 Q. When the statement was provided to you, did you have  
9 any amendments to make to it?  
10 A. No.  
11  
12 Q. With regard to the Victoria Police statement, could  
13 you tell the Commission whether you wrote out that  
14 statement yourself or whether it was drafted for you?  
15 A. It was drafted by the police.  
16  
17 Q. Was it? Prior to you meeting with Victoria Police had  
18 you, prior to that time, had any dealings with anybody else  
19 or made any statement to anybody else about the matters  
20 that are the subject of your statement?  
21 A. No.  
22  
23 Q. Was it just out of the blue that the Victoria Police  
24 contacted you and asked if you could make a statement?  
25 A. I don't know how they got on to me but they did.  
26  
27 Q. They did; they contacted you?  
28 A. Yes.  
29  
30 Q. That occurred some 20 years or so after the events  
31 that then related as part of the statement?  
32 A. That's correct, yes.  
33  
34 Q. That was in March of last year, 2013?  
35 A. That's correct.  
36  
37 Q. Does that sound correct? When you went through the  
38 process with the Victoria Police, was it a case of them  
39 doing a draft for you and asking you whether it was true  
40 and whether you were able to adopt it?  
41 A. That's correct, yes.  
42  
43 Q. I notice that on some of the attachments, but in  
44 particular those documents which are the deposit slips, if  
45 I can describe them as that, these will bear  
46 exhibit numbers 0334 through to 0338, Commissioner.  
47

1 THE COMMISSIONER: I don't quite follow those numbers.  
2  
3 MR CLELLAND: At the very top of the documents there  
4 is a --  
5  
6 THE COMMISSIONER: The right-hand corner or centre?  
7  
8 MR CLELLAND: I'm sorry, I'm referring to numbering that  
9 is at the top of those documents and it says  
10 "exhibit number". I wasn't sure whether that was the  
11 Commission's numbering or somebody else's.  
12  
13 THE COMMISSIONER: Something may have happened in the  
14 course of photocopying, but I have no such markings.  
15  
16 MR CLELLAND: I'm just looking at my learned friend's  
17 screens and it seems to be on the electronic version of at  
18 least the quotes, but in any event.  
19  
20 THE COMMISSIONER: I think it is a good idea never to look  
21 at screens. For example, take page 6 of Mr James's  
22 statement. In the middle of the page it says "0346", but  
23 I see nothing on the right. All I'm suggesting Mr Clelland  
24 is that if you've got some other method of identification,  
25 such as, for example, in that instance, page 6 of the  
26 statement.  
27  
28 MR CLELLAND: Yes. Could Mr James be provided,  
29 Commissioner, with what is page 12 and following of the  
30 attachment to his Royal Commission statement?  
31  
32 MR STOLJAR: He has that, Commissioner.  
33  
34 MR CLELLAND: It's described in the statement as  
35 annexure A, Commissioner.  
36  
37 THE COMMISSIONER: Yes, pages 12 to 16.  
38  
39 MR CLELLAND: Yes.  
40  
41 Q. Do you have those, Mr James?  
42 A. Yes.  
43  
44 Q. I think they're described, in your statement at least,  
45 as bank deposit slips. That will suffice for present  
46 purposes. Firstly, do you recognise those?  
47 A. Yes.

1  
2 Q. Are they documents that you or someone at a bank would  
3 fill out when you were depositing cheques?  
4 A. That's correct.  
5  
6 Q. Is that your writing on - let's take the first of  
7 them.  
8 A. The first one is mine.  
9  
10 Q. Yes.  
11 A. The second one is my wife.  
12  
13 Q. Yes.  
14 A. The third one is mine. The fourth one is mine and the  
15 fifth one is my wife again.  
16  
17 Q. Thank you. Each of those relates to payments for the  
18 various invoices from, firstly, 1993, as I say, that you  
19 rendered to Ms Gillard?  
20 A. That's correct.  
21  
22 Q. One can see in the middle of each of those documents,  
23 at the foot of the document, there is an initial and a  
24 date, 19/3/2013. That's the date you signed your  
25 statement. I may be wrong but that doesn't appear to be  
26 your signature or initial?  
27 A. No, it's my son's.  
28  
29 Q. Did your son participate in an interview with the  
30 Victoria Police as well as you?  
31 A. He did, yes.  
32  
33 Q. Was he present in the interview room with you when you  
34 were being interviewed by Victoria Police?  
35 A. No, it was done separately.  
36  
37 Q. Did he make a statement about these matters?  
38 A. Yes.  
39  
40 Q. He did. When you went and spoke to the  
41 Victoria Police back in 2013 after they'd contacted you and  
42 you've told the Commission about the way in which the  
43 statement was done, did you attend at the interview with  
44 them with these documents that are now annexure A to your  
45 statement?  
46 A. I can't say for sure; probably but I can't say for  
47 certain.

1  
2 Q. Apart from these documents, that is, the quotes and  
3 the invoices and these deposit slips, did you have any  
4 other documents relating to any work that you did on behalf  
5 of Ms Gillard back in 1993 or indeed 1994 or 1996?  
6 A. No.  
7  
8 Q. The documents that you had were the quotes, invoices  
9 and then the deposit slips which showed that each of the  
10 invoices had been paid by cheque by Ms Gillard?  
11 A. That's true.  
12  
13 Q. You were being asked by the Victoria Police, as I  
14 understand the situation, notwithstanding the existence of  
15 the payment by cheque, whether, firstly, Mr Wilson might  
16 have ever been involved in any of these payments?  
17 A. Yes.  
18  
19 Q. Whether you recalled anything about possibly  
20 discussions about Mr Wilson making payments for the  
21 renovations?  
22 A. Yes.  
23  
24 Q. Were those the sort of questions you were asked?  
25 A. Yes.  
26  
27 Q. And you were casting your mind back some 21 years to  
28 try and answer those questions?  
29 A. The job was very clear in my mind because as a builder  
30 it has been over the years said to us, "They don't build  
31 houses like they used to." And I've each time said, "Yeah,  
32 it's just as well they don't." And I quoted the state of  
33 the house in Abbotsford.  
34  
35 Q. I understand that you may have a specific reason for  
36 recalling the state of the house and the work done, but  
37 what the police were asking you about was something a  
38 little different. They were actually asking you about  
39 discussions that might have occurred or they were wondering  
40 if they had occurred 20 years before?  
41 A. Yes, and I remembered everything fairly clearly.  
42  
43 Q. Would you tell his Honour please what discussion you  
44 had with Ms Gillard when you first quoted for any work that  
45 you were potentially going to carry out for her?  
46 A. Well, she said that she was going to pay me but Bruce  
47 was --

1  
2 Q. No. What I'm asking about is, as I understand it, you  
3 sent some quotes, did you not?  
4 A. That's true, yes.  
5  
6 Q. Prior to you sending quotes, did you not attend at the  
7 property?  
8 A. Yes, I attended the property.  
9  
10 Q. When did you attend at the property before you sent  
11 her a quote?  
12 A. It would be about a week before.  
13  
14 Q. Are you sure about that?  
15 A. I'm not positive of the date, but it was very --  
16  
17 Q. Do you have any recollection of attending to do a  
18 quote?  
19 A. Yes.  
20  
21 Q. Would you tell his Honour then what date it was, if  
22 you do recall that?  
23 A. I can't be specific. It would have been within a few  
24 days of this quote going out.  
25  
26 Q. But you actually do have a recollection of going to  
27 the address for the first time to quote for the job?  
28 A. Yes.  
29  
30 Q. Can I read to you from paragraph 4 of your statement  
31 to the Commission:  
32  
33 I don't remember going to the address to  
34 quote the job, but when I look at a copy of  
35 the original quote, I can see I attended at  
36 36 Phillip Street, Abbotsford.  
37  
38 Does that not suggest that you don't have a recollection of  
39 attending to do the quote?  
40 A. Since that time I have seen a photograph of the house  
41 and I now recall it.  
42  
43 Q. Yes, but you never had any doubt about the house, did  
44 you; you told us that?  
45 A. Yes, but it - it became clear to me when I saw the  
46 house and things come back to you after a time.  
47



1 Q. Are you able to tell the Commission when you first  
2 attended and did the quote?  
3 A. About a few days before I did the quote.  
4  
5 Q. Are you able tell the Commission what discussion you  
6 had with Ms Gillard on that occasion?  
7 A. Yes. We discussed the putting in of doors and new  
8 doors and new bi-fold doors.  
9  
10 Q. Are you saying that because you've seen the quote  
11 rather than having an actual memory of the conversation?  
12 A. No.  
13  
14 Q. So you say you actually remember a conversation,  
15 do you?  
16 A. Not word for word, but I remember being there.  
17  
18 Q. Do you remember who attended with you, if anybody,  
19 when you assessed the job for the purposes of doing a  
20 quote?  
21 A. Nobody was with me but I think Bruce Wilson was there  
22 with her.  
23  
24 Q. When did you commence to carry out the work on the  
25 house in accordance with the first quote?  
26 A. That would have been about the beginning of March in  
27 1993.  
28  
29 Q. Do you have any record of that?  
30 A. Not here with me.  
31  
32 Q. I'm not being unkind, Mr James, but if you have your  
33 statement in front of you would you mind turning it over?  
34 A. Yes.  
35  
36 Q. When was the first invoice received by Ms Gillard?  
37  
38 THE COMMISSIONER: I think Mr James, just before you  
39 answer that, what Mr Clelland wants is for you to take your  
40 statement and just put it face down. Do you understand he  
41 wants you to put it face down and now perhaps could you  
42 repeat the question?  
43  
44 MR CLELLAND: Q. Mr James, when was the first invoice  
45 received by Ms Gillard for work done by you at her home in  
46 Abbotsford?  
47 A. It would be in July probably. I don't - I can't give

1 you an exact date off the top of my head.  
2  
3 Q. You don't know whether it was sent to her or handed to  
4 her?  
5 A. I believe I handed the invoices - the quotes to her  
6 and the invoices to her.  
7  
8 Q. Why do you say that, given that the practice of the  
9 business was to send invoices by post?  
10 A. Well, it was one or the other and I'm not certain  
11 which it was.  
12  
13 Q. What discussion did you have with Ms Gillard about  
14 that first invoice?  
15 A. I explained how the price was matching what we'd  
16 quoted and that she would pay us for it.  
17  
18 Q. "And that she would pay us for it," is that what you  
19 said?  
20 A. Yes.  
21  
22 Q. Was that the extent of the conversation in relation to  
23 the first invoice?  
24 A. Yes.  
25  
26 Q. Yes? And then the very next day a cheque was paid in  
27 by you or your wife into your or one of your trading  
28 accounts?  
29 A. That's correct.  
30  
31 Q. That is not an occasion where there was some  
32 discussion between you and Ms Gillard about Mr Wilson  
33 paying for work or Ms Gillard being able to pay you once  
34 Mr Wilson had given her money, was it?  
35 A. That discussion took place before that time when we  
36 were doing the job.  
37  
38 Q. When was that?  
39 A. Well, some time before we finished the work she said  
40 that Mr Wilson would be paying for the work and we were to  
41 do all the work on the job and that she would give us a  
42 cheque for it.  
43  
44 Q. What you said at paragraph 13 of your statement, or it  
45 reads at least that:  
46  
47 During the work I would deal with

1 Ms Gillard in relation to any payment for  
2 the completed work. I would give her the  
3 invoice. I am pretty certain she said she  
4 would get money from Bruce and pay me in  
5 the next few days.  
6  
7 Aren't you suggesting in that paragraph that the  
8 conversation about Bruce paying for it occurred after you'd  
9 given her the invoice?  
10 A. That was only confirming what she'd said previously,  
11 that Bruce was going to pay for the work on the job, all  
12 the work that had to be done.  
13  
14 Q. With the first invoice you are not saying - that any  
15 conversation about Mr Wilson paying, you're not saying that  
16 that occurred when you gave or posted your first invoice to  
17 her?  
18 A. No.  
19  
20 Q. You recount in your statement something to the effect  
21 of Ms Gillard receiving some cash and then writing you a  
22 cheque?  
23 A. That's correct; not on that time, though.  
24  
25 Q. When did that happen?  
26 A. On one of the payments.  
27  
28 Q. When was that?  
29 A. I can't tell you which payment it was, but I saw cash  
30 handed over and then she wrote me a cheque.  
31  
32 Q. Where was the cash handed over?  
33 A. From Bruce to her.  
34  
35 Q. Whereabouts?  
36 A. In their house.  
37  
38 Q. Where?  
39 A. In the passage.  
40  
41 Q. How much money was handed over?  
42 A. I don't know. It was a bundle of cash.  
43  
44 Q. And then Ms Gillard, with that cash, she wrote you a  
45 cheque, did she?  
46 A. Yes.  
47

1 Q. You don't know which cheque that was?  
2 A. No.  
3  
4 Q. So you're saying this person who was a solicitor, to  
5 your knowledge, received some cash in your presence from  
6 Mr Wilson and then immediately wrote you out a cheque for  
7 one of your invoices; is that the case?  
8 A. No, I'm not saying she did it immediately but she gave  
9 me a cheque that day or the next day.  
10  
11 Q. You say that it was that day or the next day. Is it  
12 possible it was the day after that or the day after that or  
13 the day after that?  
14 A. She just said to me, "I have to bank this cash before  
15 I" --  
16  
17 Q. Just attend to that, if you wouldn't mind?  
18 A. Pardon?  
19  
20 Q. Just attend to that.  
21 A. No.  
22  
23 Q. This relationship between you say her receiving cash  
24 and writing a cheque, was it the same day, the next day, a  
25 week later, two weeks later?  
26 A. It was the next day.  
27  
28 Q. Are you sure about that?  
29 A. Yes.  
30  
31 Q. The next day Ms Gillard received some money from  
32 Mr Wilson, according to you, in your presence and then the  
33 next day wrote a cheque?  
34 A. That's correct.  
35  
36 Q. But you can't tell the Commission when that occurred?  
37 A. No.  
38  
39 Q. Your answer was "No"?  
40 A. No.  
41  
42 Q. And that happened on one occasion, did it?  
43 A. Yes.  
44  
45 Q. Are you sure of that?  
46 A. I saw him give her money on another occasion too.  
47 I don't know which occasion it was.

1  
2 Q. Let's say you did see him give her some money on  
3 another occasion. Firstly, you don't know when that was?  
4 A. No.  
5  
6 Q. Was that in the passageway in the house again?  
7 A. It was in the house there, yes, in the lounge room.  
8  
9 Q. In the lounge room. Was this in relation to an  
10 invoice or a cheque or just handing over some cash in  
11 general?  
12 A. Oh, she had money owing to us at that time.  
13  
14 Q. Which time would that have been?  
15 A. After we'd done the second or third job there.  
16  
17 Q. The second, third and fourth invoices were, as  
18 I understand it at least, paid by cheque by Ms Gillard on  
19 24 June 1993. Does that sound right?  
20 A. That's correct, mmm.  
21  
22 Q. The fourth invoice was for \$390. Was it in relation  
23 to that invoice that you saw cash being handed over?  
24 A. No. No.  
25  
26 Q. No?  
27 A. No.  
28  
29 Q. What about the \$202 for the third invoice?  
30 A. No.  
31  
32 Q. Was it that invoice that you saw cash being handed  
33 over?  
34 A. No.  
35  
36 Q. What about the second invoice, the \$1,744, did you see  
37 cash being handed over in relation to that?  
38 A. I think it might have been that one.  
39  
40 Q. Do you? So cash was handed over around about 10 June  
41 1993, was it?  
42 A. I presume so, yes.  
43  
44 Q. And payment by cheque was made on 24 June 1993?  
45 A. Yes.  
46  
47 Q. Is that the relationship, that you say that you saw

1 some cash being handed over around 10 June?  
2 A. Yes.  
3  
4 Q. And the next cheque paid by Ms Gillard was on 24 June?  
5 A. Oh, I can't name the dates exactly.  
6  
7 Q. No, but I'm telling you and you've looked at the  
8 annexures, but your invoices were dated 10 June, 17 June  
9 and 18 June. I've just taken you through them. You say  
10 that the handing over of cash that you recall was at or  
11 about the time of the second invoice, being 10 June;  
12 correct?  
13 A. That's correct, yes.  
14  
15 Q. But the cheque that you were paid with in relation to  
16 that and subsequent invoices was paid into your account on  
17 24 June?  
18 A. Yes.  
19  
20 Q. You accept that - yes or no?  
21 A. Yes.  
22  
23 Q. The first invoice that you rendered to Ms Gillard, as  
24 I say, was paid into your account the very next day, that  
25 is, the cheque?  
26 A. Yes.  
27  
28 Q. I may have misunderstood, but are you suggesting to  
29 the Commission that in response to that first invoice you  
30 saw cash being handed over?  
31 A. I can't say which invoice.  
32  
33 Q. No? The fifth invoice in 1993, that was an invoice  
34 for \$2,986. Was that the day that you saw some cash being  
35 handed over? That's 23 August 1993.  
36 A. I can't say. I refer back to my original statement  
37 that Ms Gillard told me Bruce was going to pay for the job.  
38  
39 Q. The original statement - you're referring to the one  
40 that was drafted by the Victoria Police, are you?  
41 A. Yes.  
42  
43 Q. Is this the case - you can't actually tell this  
44 Commission when any cash was handed over by Mr Wilson to  
45 Ms Gillard or whether it related to any particular invoice;  
46 is that fair?  
47 A. That's fair enough.

1  
2 Q. Prior to you tendering for this work - sorry,  
3 I withdraw that. It wasn't a tender. Prior to you quoting  
4 for this work had you ever met Ms Gillard before then?  
5 A. No.  
6  
7 Q. You say that in your presence, even before you had  
8 rendered the very first invoice, she told you about the  
9 intimate financial arrangements between herself and  
10 Mr Bruce Wilson?  
11 A. During the time we were working there in that first  
12 job.  
13  
14 Q. I took you to say that it was before you had rendered  
15 the first invoice?  
16 A. That's correct.  
17  
18 Q. Very early on you say she told you that Mr Wilson was  
19 going to pay for the work?  
20 A. That's correct.  
21  
22 Q. That she would get the money from him and then pay  
23 you?  
24 A. That's correct.  
25  
26 Q. She also said to you at that time, according to you,  
27 when Mr Wilson gave her the cash, she would be able to pay  
28 you by cheque; is that right?  
29 A. That's correct.  
30  
31 Q. She said all that prior to you even rendering your  
32 very first invoice?  
33 A. That's true.  
34  
35 Q. As I understand it, you are telling this Commission  
36 that there were two occasions where you saw cash change  
37 hands?  
38 A. That's correct.  
39  
40 Q. In relation to one of those you say, and you say  
41 you're definite, that you saw Ms Gillard then write out a  
42 cheque the following day?  
43 A. That's correct.  
44  
45 Q. You were there when she wrote it out?  
46 A. Yes.  
47

1 Q. Are you sure about that?  
2 A. I'm pretty sure.  
3  
4 Q. Where were you?  
5 A. I beg your pardon?  
6  
7 Q. Where were you when she wrote the cheque out?  
8 A. In the house.  
9  
10 Q. Whereabouts?  
11 A. I don't remember.  
12  
13 Q. You were, what, looking over her shoulder while she  
14 wrote out a cheque, were you?  
15 A. No, she wrote me out a cheque. She said, "Here's your  
16 cheque."  
17  
18 Q. On the second occasion it would seem that you saw some  
19 cash handed over and then some weeks later you received a  
20 cheque?  
21 A. That's correct.  
22  
23 MR CLELLAND: Would you just pardon me for a moment,  
24 please, Commissioner?  
25  
26 THE COMMISSIONER: Yes.  
27  
28 MR CLELLAND: Q. Mr James, can I suggest to you that on  
29 all occasions - and I think you agree with this - when  
30 Ms Gillard paid you, she did so by a cheque drawn on her  
31 cheque account?  
32 A. Yes.  
33  
34 Q. Can I suggest to you that she never told you that  
35 Mr Wilson was paying for any of the work that was being  
36 done on her house?  
37 A. She did tell me.  
38  
39 Q. And you can't tell the Commission when that was?  
40 A. No. No.  
41  
42 Q. Can I also suggest to you that she was never handed  
43 cash, in the way you describe, by Mr Wilson, that is, in  
44 your presence?  
45 A. That's not correct; she did.  
46  
47 Q. Nor did she tell you or use words to the effect that



1 because Bruce had brought her cash or given her cash, she  
2 was now able to pay by cheque?  
3 A. Yes, she did.  
4  
5 MR CLELLAND: Those are the matters for Mr James,  
6 Commissioner.  
7  
8 THE COMMISSIONER: Thank you, Mr Clelland. Yes,  
9 Dr Hanscombe. Dr Hanscombe appears for Mr Wilson.  
10  
11 <EXAMINATION BY DR HANSCOMBE:  
12  
13 DR HANSCOMBE: Q. Just a couple of additional things,  
14 Mr James. It's all a long time ago, isn't it?  
15 A. Yes.  
16  
17 Q. The police helped you because they drafted a statement  
18 for you. That was a help for your memory; is that right?  
19 A. That's correct, yes.  
20  
21 Q. Do you know where the police got the information they  
22 put in that statement?  
23 A. We had a lot of records there. We had not destroyed  
24 any records, right back, diaries and everything, and that  
25 was perused to get the details.  
26  
27 Q. So there's a diary that records all of these events,  
28 is there?  
29 A. There was a diary, yes.  
30  
31 Q. What happened to it?  
32 A. I'm not sure. I think they all might have been thrown  
33 out when we had sold the business, closed the business  
34 down.  
35  
36 Q. You mean a work diary?  
37 A. Yes.  
38  
39 Q. Wet weather days and stuff like that?  
40 A. Yes.  
41  
42 Q. Or the Boral man didn't bring the bricks, that sort of  
43 - a record of jobs?  
44 A. A record of jobs of where I went. I had every one of  
45 them right back to the first job we did.  
46  
47 Q. Okay.

1 A. Back to 20 or 30 years.  
2  
3 Q. That must have been a real archive.  
4 A. Yes. And when we cleared out the factory they went to  
5 the tip.  
6  
7 Q. But you'd given them to the police, had you?  
8 A. Yes. Yes.  
9  
10 Q. Those diaries wouldn't have recorded these sorts of  
11 conversations though, would they, because they are about  
12 things like wet weather days?  
13 A. Probably not, no.  
14  
15 Q. Do you know where that information came from in the  
16 police statement or not? If you don't know, say so.  
17 A. Which information was that?  
18  
19 Q. The information about cash payments being made?  
20 A. Oh, it came from me.  
21  
22 Q. It came from you?  
23 A. Yes.  
24  
25 Q. The police drafted a statement and they gave it to you  
26 to have a look at?  
27 A. Yes.  
28  
29 Q. Did you add to it?  
30 A. I just checked it through and changed a few words to  
31 what I remembered.  
32  
33 Q. And they included these additions?  
34 A. A change in procedure.  
35  
36 Q. The first job was to put in some bi-fold doors to make  
37 an opening inside the house; is that right?  
38 A. That was out of the lounge room on to the deck  
39 I think, yes.  
40  
41 Q. So that that enlarged the space?  
42 A. Yes.  
43  
44 Q. You've told Mr Clelland that you remember one cheque  
45 being written the day after the invoice?  
46 A. Mmm.  
47

1 Q. That first invoice is dated 1 June and the first  
2 cheque is deposited 2 June, so that's probably that  
3 transaction; is that right?  
4 A. That's right, yes.  
5  
6 Q. The first transaction?  
7 A. Yes.  
8  
9 Q. You quoted at the end of March, so I just want to see  
10 if we can narrow down the time a bit; I know it's a long  
11 time. I'm going to test your memory. You quoted at the  
12 end of March?  
13 A. Yes.  
14  
15 Q. You rendered an invoice on 1 June, so it follows that  
16 the work was done in the two months April and May?  
17 A. That's correct, yes.  
18  
19 Q. It matters to builders whether it's raining or whether  
20 the weather is good and sunny. You have to get your  
21 materials on site; do you agree with that?  
22 A. Yes.  
23  
24 Q. Are you able to say whether the work was likely to be  
25 done in April or in May?  
26 A. Oh, it would be some April and some May probably.  
27 I --  
28  
29 Q. That was a job that involved making an opening into  
30 the outside, so you couldn't do it in the wet weather; do  
31 you agree?  
32 A. No. That's correct, yes.  
33  
34 Q. It has to wait for a few clear days?  
35 A. That's correct, yes.  
36  
37 Q. Otherwise you'd be messing around with tarpaulins and  
38 all the rest of it?  
39 A. That's right and we don't --  
40  
41 Q. And that adds to your cost?  
42 A. That's expense we don't want.  
43  
44 Q. Absolutely, that adds to your cost.  
45 A. Mmm.  
46  
47 Q. Is it likely that that work was done in the autumn

1 when the weather's usually fine?  
2 A. That's correct, yes. It would be done in May mainly,  
3 I think.  
4  
5 Q. Probably in May.  
6 A. Mmm.  
7  
8 Q. And probably, I can suggest to you, given the date of  
9 the invoice, because I assume that your wife has a pile of  
10 these to do.  
11 A. Yes.  
12  
13 Q. Probably in the first part of May, would that be  
14 right?  
15 A. That would be correct. It would have taken until then  
16 for us to get the doors made anyway, so --  
17  
18 Q. That's right, isn't it, because you've got to get the  
19 glaziers to make the glass to fit?  
20 A. Yes. You've got to make all the doors. They would  
21 have to be made by a joinery company.  
22  
23 Q. Yes, of course, so you had to contract that out?  
24 A. Mmm.  
25  
26 Q. The likely time that that job was done would have been  
27 the first two weeks of May. Do you agree with that?  
28 A. I agree with that, yes.  
29  
30 Q. I think you said that the cash was handed over in the  
31 house. You said in their house.  
32 A. Well --  
33  
34 Q. Are you suggesting Mr Wilson was living at Abbotsford,  
35 are you?  
36 A. I can't say he was or he wasn't. He was always there  
37 or nearly always there when we came at 7.30 of a morning,  
38 so it was an assumption I made but it might be wrong.  
39  
40 Q. That was about the time that this work was being done;  
41 is that right?  
42 A. Yes.  
43  
44 Q. You're relatively clear about that really, given that  
45 it's a long time?  
46 A. Yes.  
47

1 Q. Is that right?  
2 A. That's right, yes.  
3  
4 Q. In fact, the international movements of Mr Wilson that  
5 the Department of Immigration have given him show that he  
6 was out of the country from 3 May until 17 May that year.  
7 A. Yes.  
8  
9 Q. That probably didn't happen, isn't that right?  
10 A. That's probably right then, yes. It's very hard to  
11 get the dates exact.  
12  
13 Q. Yes, it's hard to remember things.  
14 A. It's 20 years ago.  
15  
16 Q. Absolutely, that's right. That series of things you  
17 might have remembered wrongly, might you not?  
18 A. Yes.  
19  
20 Q. Do you agree with that? And it probably didn't  
21 happen?  
22 A. It happened sooner or later then. It might have been  
23 a bit later. He did bring the money over. I saw that,  
24 yes, at some stage.  
25  
26 Q. You saw some money at some stage handed over?  
27 A. Mmm-hmm.  
28  
29 Q. Not necessarily related to that work at all, was it?  
30 A. When was he out of the country?  
31  
32 Q. The first two weeks of May, the 3rd to the 17th?  
33 A. Yes, but the invoice was in June, wasn't it?  
34  
35 Q. 1 June.  
36 A. It could have been at the end of May that I saw that.  
37  
38 Q. I think you just agreed with me that probably the work  
39 was done at the time he was out of the country?  
40 A. Yes.  
41  
42 Q. Yes?  
43 A. Mmm.  
44  
45 MR STOLJAR: I'm not sure that that's quite correct,  
46 Commissioner.  
47

1 THE COMMISSIONER: I agree. The evidence will speak for  
2 itself.  
3  
4 DR HANSCOMBE: If the Commission please.  
5  
6 Q. What I'm suggesting to you is that you might have  
7 muddled up a few different events in your mind. The fact  
8 that somebody gives somebody some money is not necessarily  
9 related to work or cheques or anything else if they're in a  
10 relationship; isn't that right?  
11 A. Except that Ms Gillard told me that Bruce was paying  
12 for the job.  
13  
14 Q. Yes, I know you've said that.  
15 A. And that's quite clear in my mind.  
16  
17 Q. It is true, is it not, that for people in a  
18 relationship if somebody gives the other person some money,  
19 there's nothing untoward about that?  
20 A. No.  
21  
22 Q. And you don't know what that money was or where it  
23 came from either; you just know that you saw some money  
24 handed over?  
25 A. A very substantial amount of money.  
26  
27 Q. But that's what you know of your own vision. You  
28 don't know anything else about what it was?  
29 A. No.  
30  
31 Q. You say that Ms Gillard volunteered this to you?  
32 A. That's correct.  
33  
34 Q. For no reason?  
35 A. We developed a fairly close relationship and we had a  
36 lot of interesting talks with her on political matters.  
37  
38 Q. I thought you said - I might have written it down  
39 wrongly - she told you that at the beginning?  
40 A. She did, early in the piece, yes.  
41  
42 Q. Yes. A person she didn't know, she just volunteered  
43 that?  
44 A. Well, she did.  
45  
46 Q. Do you know a man called Harry Nowicki?  
47 A. No.

1  
2 Q. Ever talk to him?  
3 A. Not that I know of.  
4  
5 Q. No?  
6 A. Harry?  
7  
8 Q. Nowicki. It is an unusual name. You'd probably  
9 remember it?  
10 A. No.  
11  
12 DR HANSCOMBE: Excuse me a moment, if you would,  
13 Commissioner. There's nothing else, Commissioner.  
14  
15 THE COMMISSIONER: Yes, thanks, Dr Hanscombe. Yes,  
16 Mr Stoljar.  
17  
18 MR STOLJAR: There's nothing further, thank you,  
19 Commissioner.  
20  
21 THE COMMISSIONER: Q. Mr James, that concludes your  
22 evidence. You're free to go. The Commission is grateful  
23 for you having gone to this trouble to come up here to give  
24 the evidence. Thank you. You're excused from further  
25 attendance.  
26 A. Thank you.  
27  
28 <THE WITNESS WITHDREW  
29  
30 MR STOLJAR: The next witness is Mr Kernohan. I haven't  
31 had an opportunity to have any discussion with Mr Kernohan  
32 myself and I wonder if it might be convenient for the  
33 Commission to take an early lunch break and then come back  
34 at the conclusion of the lunch break and deal with  
35 Mr Kernohan.  
36  
37 THE COMMISSIONER: Do you mean 1.45, for example?  
38  
39 MR STOLJAR: Yes.  
40  
41 THE COMMISSIONER: Is that satisfactory to other counsel?  
42  
43 DR HANSCOMBE: Yes.  
44  
45 THE COMMISSIONER: I will adjourn until 1.45pm.  
46  
47 LUNCHEON ADJOURNMENT

1 UPON RESUMPTION  
2  
3 THE COMMISSIONER: Yes, Mr Stoljar.  
4  
5 MR STOLJAR: Commissioner, the next witness is Mr Kernohan.  
6 Just before I call Mr Kernohan, can I indicate that I've  
7 had some discussions with my friend, Ms Haben-Beer about  
8 the privilege claim and the proposal that we would put to  
9 you, Commissioner, is that that issue simply be adjourned  
10 for now until further notice and we'll see what happens in  
11 relation to some litigation on foot in Victoria about that  
12 issue or otherwise. We'll give notice to Ms Haben-Beer and  
13 her client about that issue being re-ventilated  
14  
15 THE COMMISSIONER: Are you happy about that,  
16 Ms Haben-Beer?  
17  
18 MS Haben-Beer: Yes, Commissioner.  
19  
20 THE COMMISSIONER: It seems sensible, so that is the  
21 course we will take for now.  
22  
23 MR STOLJAR: I call Robert John Kernohan.  
24  
25 <ROBERT JOHN KERNOHAN, sworn: [1.47pm]  
26  
27 THE COMMISSIONER: Yes, Mr Stoljar.  
28  
29 <EXAMINATION BY MR STOLJAR:  
30  
31 MR STOLJAR: Your full name is Robert John Kernohan?  
32 A. Correct.  
33  
34 Q. And you are currently retired?  
35 A. Well, I'm a current WorkCover recipient.  
36  
37 Q. You're not actively working at the moment?  
38 A. That's right.  
39  
40 Q. You are a resident of Victoria?  
41 A. I am.  
42  
43 Q. But you don't have a business address?  
44 A. Well, I prefer not to give my address. It's known to  
45 the police; it's known to this Commission.  
46  
47 Q. Yes, no difficulty. You have prepared a statement in



1 these proceedings dated 28 May 2014?  
2 A. Yes, I have.  
3  
4 Q. I'll provide you with a clean copy of that statement.  
5 A. Thank you.  
6  
7 Q. Is the content of that statement true and correct?  
8 A. I believe it's the same document I signed, yes.  
9  
10 Q. And I'd ask that --  
11 A. It is true and correct.  
12  
13 MR STOLJAR: I would ask that Mr Kernohan's witness  
14 statement be received into evidence, Commissioner  
15  
16 THE COMMISSIONER: Yes. Is there any objection to any  
17 part of it being admitted?  
18  
19 DR HANSCOMBE: No, there's not. I was just asking counsel  
20 assisting what the date is. The one I have is not dated.  
21  
22 THE COMMISSIONER: Mine is 28 May 2014, if that is what  
23 Mr Stoljar is referring to. That will be received into  
24 evidence. What do we do about the, in effect, exhibits? I  
25 think treat them as part of the statement.  
26  
27 STATEMENT OF ROBERT JOHN KERNOHAN DATED 28/05/14  
28  
29 MR STOLJAR: That might be the simplest course, if it  
30 please the court.  
31  
32 Q. Mr Kernohan, it's quite a lengthy statement and I'll  
33 perhaps just take you through some passages in the  
33 statement. Could I begin just by getting some background.  
34 You say in paragraph 19 that in 1976 you were elected to  
35 a position of AWU shop steward?  
36 A. I was, yes.  
37  
38 Q. What had you been doing before that? What was your  
39 training?  
40 A. I left school. I started a butcher's apprenticeship  
41 back in those days. They were three-year apprenticeships.  
42 I didn't complete it, just didn't pay enough money, and  
43 I entered into the general workforce in various jobs, and  
44 ultimately I secured a job at the Altona petrochemical  
45 complex in Victoria and through that job I was there for  
46 10 years, or just over 10 years, and that's when I joined  
47 the AWU.  
48

1 Q. You were shop steward for some years, that is, while  
2 you were still at the Altona chemical plant?  
3 A. Correct.  
4  
5 Q. And then in 1982, you obtained a position as organiser  
6 with the AWU?  
7 A. I did, yes.  
8  
9 Q. So that is in 1982. Four years later, and you touch  
10 on this in paragraph 24, you were appointed to fill  
11 a casual vacancy on the national executive of the AWU?  
12 A. That's correct.  
13  
14 Q. And you mention in para 27 that you first met  
15 Bruce Wilson when you were both on the national executive?  
16 A. That's correct, yes.  
17  
18 Q. You came back to Victoria. You had been in  
19 South Australia for a period of time?  
20 A. Yes. I was part of a team, a team of candidates that  
21 lost the 1989 Victorian branch elections, AWU elections in  
22 Victoria, and I was immediately approached by the  
23 South Australian leadership of the AWU. They wanted me to  
24 take up a position that was vacant or about to become  
25 vacant in their branch. The position was industrial  
26 officer. That's where I first met Ian Cambridge and became  
27 not close friends, but we certainly were friends.  
28  
29 Q. In 1991 you decided to come back to Victoria?  
30 A. I did. I came back to Victoria with the clear  
31 intention of contesting the convention ballot which was  
32 scheduled to occur in October 1992. The convention  
33 elections, as I refer to them, it is an AWU ballot to elect  
34 in terms of Victoria, there were five delegates to be  
35 elected to the annual convention, and I came back not only  
36 to contest that election and hopefully win it, but that,  
37 I thought if I could win that election, it would stand me  
38 in reasonably good stead for the full term elections which  
39 were scheduled to occur in October 1993.  
40  
41 Q. Before the elections came up, you describe this in  
42 paragraph 35, you laid some union charges against a Mr Bob  
43 Smith and you were contending misappropriation of union  
44 funds?  
45 A. That's correct.  
46  
47 Q. And that --

1 A. Well, that was one of the - the principal reason why  
2 I came back to Victoria. I mean, I love the AWU and even  
3 though it meant moving around quite a bit from state to  
4 state, South Australia to Victoria, I came back with the  
5 specific reason of challenging Bob Smith at that stage.  
6 Bob Smith 1, I call him. I know we have been talking about  
7 Bob Frederick Smith and Bob Leslie Smith. If I could refer  
8 to him as Bob Smith 1 and Bob Smith 2, that's what I've  
9 been referring to them in any discussions I've had, that  
10 would simplify it for me at least; I don't know about  
11 anybody else.

12  
13 Q. I am not suggesting any of this was proved ultimately,  
14 but the concerns about misappropriations in respect of the  
15 administration led by Bob Smith 1?

16 A. That's correct.

17  
18 Q. I realise I'm moving quickly through your statement,  
19 just going to the highlights, because if someone wants to  
20 they can read the detail of what you say in your statement,  
21 but in paragraph 53, you say:

22  
23 Sometime in late 1992, I had John CAIN Jr,  
24 draft a letter addressed to WILSON  
25 requesting me to have access to the  
26 Victorian Branch books.

27  
28 A. That's right.

29  
30 Q. And that related to that misappropriation that you  
31 thought you had identified?

32 A. That's correct.

33  
34 Q. So you were trying to get access to the books?

35 A. Yes.

36  
37 Q. Did you end up getting access to the books?

38 A. I eventually did, but in the interim period my  
39 original letters to access the financial records of the  
40 Victorian branch under Bob Smith number 1, before that  
41 could properly be dealt with by the national executive,  
42 I was being - there was not much cooperation for what I was  
43 seeking, even though I believed I had the evidence, clear  
44 evidence, that there were serious financial irregularities.  
45 Me coming from Victoria, I knew how the branch worked back  
46 in those days, right up until '89. During that period of  
47 1982 to 1989, when I was a full-time official in Victoria,

1 a senior official at the end, I had a fairly good  
2 knowledge, an intricate knowledge, in fact, of the workings  
3 of the branch and I could see - I knew the state of the  
4 finances and the property that the branch owned back in  
5 1989 and when I was in South Australia there were various  
6 disturbing newspaper reports all about the AWU Victorian  
7 branch, how they were running into debt. It disturbed me  
8 greatly because I know in 1989, notwithstanding the fact  
9 that I was on the ticket that got defeated, the financial  
10 accounts - it was a very healthy financial position the AWU  
11 Victorian branch was in when I moved to South Australia.  
12 Within a short space of time, between 1990 and 1992,  
13 I compared the last balance sheet in 1989, which I was  
14 conversant with, to the balance sheet that was prepared in  
15 1990 and 1991. Balance sheets were freely available, they  
16 are freely available to members of the union, so there was  
17 no difficulty accessing to make the comparisons, but there  
18 were serious concerns about healthy surpluses being  
19 depleted, squandered, a property being sold, the property  
20 which was our branch office being sold, and another  
21 property being bought off another union, which was  
22 a financial disaster for the Victorian branch. They lost  
23 a lot of money on that.

24  
25 In terms of the actual administration of the branch,  
26 I had concerns over an oil rig workers' trust fund which  
27 contained in 1989, it contained approximately \$25,000,  
28 \$26,000 and I know about this fund because I was on the  
29 national executive when that fund was established. It was  
30 a fund that was set up to assist people working offshore,  
31 on offshore platforms for health and safety training and it  
32 was a proper trust fund. When I was on the national  
33 executive back in those days, in the '80s, late 1980s up  
34 till 1990, all bank accounts, all property, whether it be  
35 bought or sold, bank accounts, including trust accounts,  
36 had to have the explicit authorisation of the national  
37 executive. That was abundantly clear.

38  
39 Branch executives at times may carry a resolution if  
40 they were interested in buying property, particularly  
41 relocating to new office premises. In the first instance,  
42 the branch executive would carry a resolution usually on  
43 the recommendation of the branch secretary. That  
44 resolution would be carried. It would then be submitted to  
45 the national secretary with a request to have the matter  
46 placed before the next sitting of the Federal Executive  
47 Council. If the property purchase was urgent and it was

1 going to cost too much to call the whole executive back  
2 together, they would do a postal vote, but it had to have  
3 the explicit approval of the national executive.  
4

5 Q. And is that acquisitions of both real property as well  
6 as opening - as well as bank accounts?

7 A. Correct.  
8

9 Q. Now, you say in your statement in paragraph 71:

10  
11 In December 1992, I together with four  
12 other ... branch members won elections for  
13 the position of ... delegates at the  
14 convention.  
15

16 A. Yes.  
17

18 Q. And then you describe - and perhaps I'll just do this  
19 in summary - some disputes that you had with Mr Wilson;  
20 that's in paragraph 75, for example.

21 A. Yes.  
22

23 Q. And then you were able to or, on the face of it, you  
24 reached some resolution of the differences between yourself  
25 and Mr Wilson in the sequence of events that you describe  
26 in paragraph 84 and following, which led to the provision  
27 to you of a cheque by Mr Wilson. Can I just ask you to  
28 take the Commissioner through what happened really when  
29 Mr Telikostoglou came to you and said that Mr Wilson would  
30 like to meet you and a meeting was arranged in a Thai  
31 restaurant.

32 A. Yes. I was addressing a mass meeting of AWU shop  
33 stewards just prior or leading up to the amalgamation of  
34 AWU and FIME, just bringing the members up to date as to  
35 why I believed there should be an amalgamation. Bill,  
36 I call him Bill the Greek, Bill the Greek attended that  
37 meeting. I had no idea he was in the room until the  
38 meeting had finished and Bill came up to the stage where  
39 I was standing and he said to me words to the effect that,  
40 "You and Bruce should get together. I'm going to talk to  
41 Bruce", and that was the first time any friendly exchange  
42 between Bill and I had - not that we had too many anyway,  
43 but he was quite pleasant when he made those comments to  
44 me.  
45

46 That led to a phone call to arrange a dinner with me,  
47 asking me to attend a dinner with Bruce Wilson and Bill and

1 myself, only the three of us, at a Thai restaurant in  
2 Fitzroy Street in Melbourne. It's a street with many  
3 eateries. We arranged to meet at a Thai restaurant.  
4 I attended. We had dinner. There wasn't too much chat  
5 about much. The ice was fairly solid still between Bruce  
6 and I.

7  
8 We started talking about the union amalgamation which  
9 had resulted in the scheduled 1993 October elections, the  
10 full-term elections for the AWU. Because of the scheduled  
11 amalgamation with FIME, in the scheme of amalgamations when  
12 legislation was introduced, it provided a provision,  
13 your Honour, for a two-year bedding-in period for new  
14 officials that all of a sudden found themselves working  
15 together. There was a lot of joint positions, joint  
16 presidents, joint secretaries and the like. So that  
17 two-year bedding-in period thwarted my chance to run in the  
18 scheduled 1993 October elections because they were caught  
19 up in this bedding-in period.

20  
21 That was the basis that Bruce indicated why he  
22 contacted me or why he agreed to meet with me at the  
23 insistence of Bill. We talked about elections and funding  
24 and so forth. We talked about the campaign I had run up to  
25 date, bearing in mind I had spent money on the convention  
26 ballot in October 1992, so in short I was out of pocket, no  
27 doubt about that. I was funding my own campaign, save for  
28 a few donations from friends, barbecues, selling T-shirts,  
29 selling raffle tickets, that was the way I was generating  
30 funds back then, and I also took out a \$20,000 bank loan.

31  
32 I told Bruce this because he asked me how much it had  
33 cost me and I said, "I've got receipts Bruce, probably  
34 about \$18,000 worth of receipts." It might sound a lot,  
35 \$18,000 of receipts, but bearing in mind there were two  
36 full mail-outs to 15,000 member involved in that, so the  
37 bulk of that 18,000 was postage.

38  
39 Q. In paragraph 87, you say:

40  
41 Bruce asked me how much I was out of  
42 pocket. I told him approximately 14,000.

43  
44 You have just said the costs were about 18. Is that  
45 because you had raised some funds?

46 A. Yes.

47

1 Q. Keep going.  
2 A. Bruce indicated to me that as a gesture of goodwill,  
3 to bury the hatchet, to use his words, he could assist in  
4 helping me meet my debts and I said, "Well, anything you  
5 could do, Bruce, would be greatly appreciated. It seems  
6 futile now to continue, you know, war, as it were,  
7 particularly in the public domain, given that there's no  
8 objective to continuing a public battle between us because  
9 there was no longer any scheduled full-term elections for  
10 1993. Bruce indicated that he would talk to his colleagues  
11 who were contributing to what he described as his slush  
12 fund. That was no surprise to me because I'm quite  
13 conversant with slush funds. I have been in a number of  
14 them over the years, in all my years as a full-time  
15 official. A slush fund, you'd go down to your local bank,  
16 or someone on behalf of the group would go down to a local  
17 bank, open a bank account, and we would go and pay all  
18 deductions - in fact, back in my early days we had to pay  
19 cash out of our pay envelope, but --  
20  
21 Q. So by "slush fund" you mean --  
22 A. Slush funds - payroll deductions for people who have a  
23 common interest to work together to take various positions  
24 within the union. So Bruce made that offer to me. He came  
25 up with a figure of 6,500. I didn't ask him how he arrived  
26 at that figure. I don't know how he did. There's no  
27 specific reason why that figure should be picked, but  
28 nonetheless that was the figure. I said, "Bruce, I'd be  
29 grateful if you get approval from your colleagues". I'd be  
30 grateful.  
31  
32 Q. Did he then give you a cheque in that amount?  
33 A. Yes. He asked me that night, "Look, if I get  
34 approval, do you want cash or do you want a cheque?" and  
35 I said, "I'll have a cheque because it will go through my  
36 bank account," and that's where most of my transactions for  
37 my election campaign had gone through, and I said to Bruce,  
38 "I can provide you, furnish with receipts for certainly at  
39 least the 6,500." And I received a phone call the next  
40 morning, this is the morning after the night at the  
41 restaurant, and it was Bill the Greek on the phone asking  
42 me if I was available that morning and I said, "Yeah, I'm  
43 in the office, I'm not going anywhere this morning". We  
44 arranged to meet. They came down virtually straightaway,  
45 I would think, from Drummond Street to where I was working  
46 in the Spencer Street office in Melbourne.  
47

1 I went downstairs to meet them. I knew there was  
2 certainly friction between Bob Smith number 1 and  
3 Bruce Wilson, so I assume that is why they didn't want to  
4 come up to my office. I went down to meet them. The  
5 meeting took no more than about 30 seconds, 45 seconds, it  
6 was less than a minute. Bruce gave me the cheque.  
7 I opened the cheque. I saw my name, Bob Kernohan, 6,500,  
8 and it had "Workplace Members Welfare Fund" written on the  
9 cheque.

10  
11 Q. Have a look at - the pages aren't numbered, but if you  
12 make your way through to RJK-15 in the bundle of  
13 attachments which are included in your statement, is that  
14 the cheque to which you made reference or a copy of it?

15 A. It's a copy of the cheque, yes.

16  
17 Q. So you observed that it had, "Australian Workers'  
18 Union Members Welfare Association Number 1 Account"?

19 A. That's correct.

20  
21 Q. And were you familiar with that or did you ask Wilson  
22 anything about that?

23 A. Yes, I did. I wasn't overly concerned with the name  
24 because we call slush funds - you know, if it was a staff  
25 social club slush fund it might be the AWU New South Wales  
26 social fund for their Christmas party, you know, they're  
27 all paying so much money, a few dollars in each week, and  
28 so that didn't surprise me, but I did ask Bruce, I said,  
29 "Members welfare association, AWU, Australian Workers'  
30 Union, you know, that reference," I said, "That's a funny  
31 name to call your slush fund." And Bruce said, "Oh, you  
32 know, it's for taxation purposes. That didn't overly  
33 concern me either. I mean it didn't appear to be illegal  
34 to me.

35  
36 I did not recognise then the wrongdoing. I'm not just  
37 talking about Bruce here. I'm even talking about the  
38 social clubs with the AWU name attached to those accounts,  
39 just what opportunities it opens up for people who are less  
40 than honest.

41  
42 Q. Right. Now, can I --

43 A. So that was the explanation from Bruce. I accepted  
44 that. It was plausible.

45  
46 Q. Did you speak to or have further dealings with  
47 Mr Wilson after that?



1 A. No, Bruce and I never spoke again after that morning.  
2 He rang me a couple of times but I didn't return his calls.  
3  
4 Q. A bit later in 1995, you, as you said in  
5 paragraph 100, were elected as president of the branch and  
6 branch organiser?  
7 A. Sorry, what para?  
8  
9 Q. Paragraph 100.  
10 A. Yes.  
11  
12 Q. So that is in about June or thereabouts and a bit  
13 later in that year - I'm sorry, really it was the following  
14 year and by this stage Mr Wilson and others had left. I'll  
15 take you right through to paragraph 127. You received, as  
16 I read it, more or less out of the blue, service of a whole  
17 bundle of documents?  
18 A. That's correct.  
19  
20 Q. You say in paragraph 128, "I was stunned", and  
21 paragraph 129 you say:  
22  
23 The documentation included affidavits for  
24 both CAMBRIDGE and LUDWIG.  
25  
26 It contained photocopies of cheques relating to bank  
27 accounts, conveyancing details and redundancy payments  
28 given to six people: Mr Wilson, Mr Telikostoglou,  
29 Ms Murray, Mr Collins, Mr Barnes and Mr Blewitt.  
30  
31 A. Yes.  
32  
33 Q. Can I show you a handwritten letter. You are looking  
34 at a handwritten letter addressed to the manager of the  
35 Commonwealth Bank?  
36 A. That's correct.  
37  
38 Q. From a number of persons, including - and I think this  
39 is Bob Smith 1 - and Messrs Barnes, Blewitt, Collins and  
40 Wilson. I withdraw that. It should be Bob Smith 2, I beg  
41 your pardon.  
42 A. That's correct.  
43  
44 Q. Messrs Barnes, Blewitt, Collins and Wilson and I'll  
45 just note for the record it is page 163 of Mr Cambridge's  
46 bundles. Had you seen this letter before?  
47 A. Yes, I have.

1  
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Q. Had you seen it when you saw it - when it was served on you in about 1996, have you seen it before that time?

A. No, I haven't.

Q. That was the first time. Were you aware of what had occurred with redundancy payments and the like?

A. No, I had not been aware of it.

Q. And how did you feel when you saw all this?

A. Well, when I was served with - because of the \$6,500 being caught up in one of the funds that was being investigated by Ian Cambridge, quite rightly by Ian Cambridge, that was the first indication that I had, how serious the investigations that Ian was undertaking, what serious information was coming back, serious to this extent. When I saw this letter to the manager of the Commonwealth Bank in Victoria, Victoria Street, the bank that the AWU has used for many, many years, re AWU bank accounts and others, further - this is the letter, if I can quote it, and I do want to quote this because this shocked me:

Further to the recent correspondence from Maurice Blackburn where various accounts were frozen, I advise that the matters in dispute have now been resolved.

"Have now been resolved":

And the freeze on all accounts can be lifted.

The only account that the AWU has any interest in are AWU Victorian branch account, that would be the general account, the AWU grant account, that would be an account to accept grants perhaps from governments and various other institutions, all aboveboard, but no mention of the AWU members welfare account. That wasn't my greatest concern.

My greatest concern was seeing business conducted by elected officers of a registered organisation, of which I was one. I was the president. I knew absolutely nothing about this until March 1996 when I was served with Ian Cambridge's documents. That made me sick. To think that people elected to responsible positions could conduct themselves in this way, without notifying the officials,

1 the branch executive, or even the president.  
2  
3 Q. Or the members?  
4 A. That was an indication to me to the extent of which  
5 what Ian Cambridge was investigating and I was bloody  
6 horrified.  
7  
8 Q. And did you ring Cambridge?  
9 A. I rang Ian regarding the \$6,500. I wanted to explain  
10 to him, you know, why it was paid to me by Wilson and the  
11 fact that I still had outstanding debts that I was paying  
12 off from money that was either lent to me or I borrowed  
13 from the bank. So I rang Ian and I told Ian that. Ian  
14 does make reference to that in his affidavit.  
15  
16 Q. Now, one of the signatories to the letter was Mr Bob  
17 Smith and in paragraph 131 you say that you were upset and  
18 you went to Bob Smith's office. You said, "A lot more has  
19 been going on than I've been made aware of"?  
20 A. Yes.  
21  
22 Q. And you told him that you were looking at going to the  
23 police?  
24 A. Yes. Well, Ian Cambridge was still with the union  
25 then and I knew that Ian, not only was he continuing his  
26 investigative work but I know that he had also reported it  
27 to various police jurisdictions, federal and state, I  
28 believe, certainly the Victorian police, and I did go and  
29 see Bob Smith - Bob Smith 2.  
30  
31 Q. And you were pretty upset, were you?  
32 A. I was very upset.  
33  
34 Q. Yes.  
35 A. I was very upset.  
36  
37 Q. In paragraph 132, you say you had a conversation with  
38 some other officials?  
39 A. I did, yes.  
40  
41 Q. Can you tell us about that conversation?  
42 A. Well, I got no joy by talking to Bob Smith. I could  
43 see he was absolutely shocked when he realised that I'd  
44 been served with all of these documents, including the one  
45 that he drafted and had people sign, you know, Jim Collins,  
46 Bruce Wilson, Bob Smith, John Cain Junior was advising  
47 Bob Smith at the time, Bob Smith 2. There's no joy there,

1 even though he was shocked, but there was no indication at  
2 all from Smith that he was going to do the right thing,  
3 discharge his obligations as an elected official in  
4 a registered organisation, and have these matters properly  
5 dealt with and hand them over to the police. There was no  
6 indication from him that he was going to do that, so --

7  
8 Q. So you raised a complaint with someone else, did you?

9 A. I did.

10  
11 Q. So tell us about what you did next?

12 A. Well, I have to tell you a little bit of background  
13 about my association with Bill Shorten. When I came back  
14 from South Australia in about 1991, Bill Shorten was active  
15 in Young Labor. I didn't know Bill at that time. He was  
16 active in Young Labor. He had all but completed a law  
17 degree, I think it was Melbourne University. When I came  
18 back to Victoria, I was introduced to Bill. He was young.  
19 He was keen. He had ability, without doubt. As an older  
20 bloke looking at the young fellow I thought, "This bloke  
21 has ability. He's nearly finished his law degree."

22  
23 He was very keen to get involved in my planned  
24 campaign in the AWU. I asked Bill if he would be my  
25 campaign manager. He was more than happy. In fact, he was  
26 relishing the opportunity to become my campaign manager.

27  
28 In addition to that, I said to Bill, "If I'm  
29 successful," bearing in mind this is before the  
30 amalgamation, we were still looking at a 1993 full-term  
31 election in the AWU, I said, "Bill, I'm successful in that  
32 I'd be happy to employ you as an industrial officer",  
33 knowing full well that Bill's ultimate ambition was  
34 politics, but I thought his age at the time, I think he was  
35 24, 23, 24, I thought probably three or four good years  
36 with the union would do him certainly no harm, do a lot of  
37 good, coming straight out of university, just learning how,  
38 you know, there is another class of people out there.

39  
40 I was friends with John Cain Junior at that time, this  
41 is before I found out about all of this, and I asked  
42 John Cain Junior - you will recall John Cain Junior was  
43 drafting those letters in reference to Bob Smith number 1.  
44 So I said to John Cain Junior, bearing in mind he come from  
45 a large law firm, he was a senior partner, I asked John if  
46 he would - could find room, talk to his partners and find  
47 room for Bill Shorten to do his articles. I didn't want

1 Bill in a situation where if things didn't work out in the  
2 union, or I wasn't successful in my election, Bill would be  
3 12 months still - he'd still have to do his articles, still  
4 12 months of his life. I could see no reason, as long as  
5 I could find him a spot, that he could complete his  
6 articles and still assist me in my campaign.

7  
8 John Cain Junior talked to his partners. They put  
9 Bill on. The point I'm making is Bill and I were pretty  
10 close. So I thought - well, I was getting no joy talking  
11 to anybody else about having this matter properly  
12 investigated. I was talking in the Victorian branch.  
13 I thought I'd go and see Bill, which I did.

14  
15 Bill, at the time when I caught him in the passageway  
16 of the office, he was talking to two of my colleagues from  
17 the old - from the AWU prior to amalgamation, Sam Beechey  
18 and Ashley Cox was their names. I went to Bill and  
19 I said - I knew that Bill already had some idea about what  
20 was going on, but not the detail that I had. I didn't  
21 believe he had the detail that I had after I was served  
22 with the Cambridge documents.

23  
24 I said to Ashley Cox and Sam Beechey, "Are you aware  
25 there's been a house purchased with union members' funds,  
26 in my opinion. The union had no knowledge of that house.  
27 Ian Cambridge has uncovered this. The house has been sold  
28 before Ian could activate a caveat. No money ever came  
29 back to the union from the sale of the house. There's an  
30 account in Western Australia that nobody knew about. AWU  
31 Workplace Reform Association, again, no record of approval  
32 anywhere in the organisation for that fund to be  
33 established." And I said besides that, there's other  
34 activity that has occurred within that AWU Members Welfare  
35 Number 1 Account where Ian was able to discover that that  
36 fund, even though by all evidence, before Wilson came to  
37 Victoria, it was a legitimate slush fund, that Bob Smith  
38 number 1 group and his supporters at the time were  
39 contributing into that particular fund. So that fund was  
40 already there when Bruce came to Victoria.

41  
42 I'm just surmising here, but Bruce went to a lot of  
43 trouble to establish a fund in Western Australia. He's  
44 come to Victoria, and there's one already made here.

45  
46 Now, that fund had in excess of \$160,000 from  
47 construction companies put into it, bearing in mind it was

1 not a legitimate AWU account, it was a slush fund. When  
2 this deal was signed, part of the solution, which isn't  
3 written in to this document, was --  
4

5 Q. You are holding up page 163 in Mr Cambridge's  
6 affidavit, but keep going.

7 A. Yes.

8  
9 Q. When it was signed?

10 A. Yes, sorry, that's right. I've just lost my train of  
11 thought. When this document was signed, there was no  
12 mention made of approximately \$160,000 that was sent back  
13 to employers where the money originated from in the first  
14 instance, the money that was sent to the AWU but placed in  
15 this account by Bruce Wilson, and I thought at the time,  
16 when I realised the money had been sent back, "Why would  
17 they do that?"  
18

19 Well, my opinion at the time was - and still is  
20 today - that it was to avoid or lessen and reduce as much  
21 as possible any chance of a criminal action being taken  
22 against Wilson. There's no other reason in my mind for  
23 that money to be sent back.  
24

25 Q. I think you are in a sense summarising 132 and 133  
26 because you are describing what you said to the three  
27 gentlemen you were speaking to. What happened next?

28 A. Well, when I was talking to Bill and explaining to the  
29 other two just the extent of what I regarded as fraud,  
30 I make no bones about that, I'm not a lawyer, but I call it  
31 fraud. Bill Shorten said - he looked at me and he said,  
32 "Look, Bob, a lot of of people are going to get hurt if  
33 this is pursued. No-one wants to go any further with this.  
34 Bruce Wilson and the others have gone." I said, "Gone?  
35 Gone with a payout with their records. They should be  
36 bloody well being investigated and hopefully locked up for  
37 this sort of conduct", and Bill's - this is what shocked me  
38 more than anything. Bill said, "Bob, think of your future.  
39 You're going into Parliament shortly" and by all - well, by  
40 all reasonable chances I would have entered Parliament  
41 because I had just been endorsed for the seat of Melton in  
42 the state seat of Victoria, a safe Labor seat, a town where  
43 I lived. I had plenty local branch support. I also had  
44 support from senior ALP people. I thought that would be an  
45 extension of my career. I thought I had a contribution to  
46 make.  
47

1           So Bill threw that up at me and I said, "I'm not  
2 copping this. I am not copping this", and I knew when  
3 I turned and walked away from that discussion, I knew then  
4 that there's no way known I was going to go into  
5 Parliament. They weren't going to - the support - I'd  
6 still have local support of course from the branch members,  
7 but the support - the crucial support from senior ALP  
8 figures would have disappeared. They weren't going to  
9 allow someone like me going into Parliament who has not  
10 agreed to go along with this cover-up.

11  
12 Q. All right. Now --

13 A. So I knew - I knew the initial implications for my own  
14 future when I made that decision.

15  
16 Q. You then or shortly thereafter went to the police, the  
17 St Kilda Road police and you lodged a complaint?

18 A. I did.

19  
20 Q. And you describe that in your statement. Once you'd  
21 done that, what happened to you after that? If you go to  
22 paragraph 141, you say you started getting the silent  
23 treatment at work?

24 A. Yes.

25  
26 Q. Did it stop there or what happened then?

27 A. No, it didn't stop there. I had no friends, as it  
28 were, no supporters supporting my position. I was very  
29 much treated - I was ostracised, in fact. I'd received the  
30 occasional hip and shoulder in the passageway walking past  
31 other officials in the office. My office was trashed. All  
32 my files were strewn all over the place. Messages were  
33 being sent to me, obviously by those actions. People  
34 weren't happy with the stand I was taking. They knew I was  
35 serious because I had just walked away from a future that  
36 I would have loved to have been able to fulfil. So they  
37 knew I was serious and because of that - and there was no  
38 way, particularly Bill Shorten would have known this, there  
39 was no way known I was going to change my mind.

40  
41           I got very depressed. I wasn't seeing doctors, as  
42 I should have been. I'd never been sick before in my life,  
43 which required hospital treatment. The whole victimisation  
44 and bullying, I was bullied, to me - directed towards me,  
45 culminated in a bashing I received. Notwithstanding  
46 a report that I made to the Melton police station at the  
47 time --

1  
2 Q. Well, let's just take that in steps.  
3 A. Okay.  
4  
5 Q. You come to that in paragraph 164 of your statement  
6 and you describe an incident where some people jumped out  
7 of a red Commodore. What do you recollect about that  
8 event?  
9 A. I've tried on a number of occasions to recollect  
10 precisely what happened. I know that people hopped out of  
11 a maroony-coloured Commodore and knocked me to the ground  
12 and laid into me with boots and yelled things out at me  
13 such as, "Keep your mouth shut", in very colour language,  
14 "Keep your mouth shut you so-and-so". I knew that it was  
15 related to my activity in continuing to try to expose what  
16 I regarded as serious fraud.  
17  
18 Q. How did you know that?  
19 A. Pardon?  
20  
21 Q. How did you know that? How did you know it was  
22 connected with that?  
23 A. Because of what they said to me.  
24  
25 Q. And you have set out what they said in paragraph 165?  
26 A. Yes.  
27  
28 Q. Can I take you now to a statement that you gave to the  
29 Victorian police.  
30 A. Yes.  
31  
32 Q. Again, the pages aren't numbered but looking at the  
33 top of the page in your attachment RJK-17?  
34 A. Yes.  
35  
36 Q. That is a statement that you gave to Victoria police,  
37 it looks as though, from the top of the third page, between  
38 2 and 3 o'clock on 31 July 1999?  
39 A. Yes, correct.  
40  
41 Q. And if we go back to the first page, the second  
42 paragraph, you say:  
43  
44 On Friday the 30th of July 1999, I was at  
45 home. At about 7.45pm I left home and  
46 began walking ...  
47



1 A. Yes.

2

3 Q. So your statement has been done not 24 hours after the  
4 incident, and you don't say anywhere in your statement  
5 anything about people saying to you something about not  
6 talking to the media or anything like that, do you?

7 A. No, I don't. No.

8

9 Q. And you just said to me that you knew that it was  
10 connected with the victimisation that you perceived to be  
11 occurring at the union because of things that they said.  
12 Surely the statement you gave to the police not 24 hours  
13 after the incident represents your best recollection of  
14 what happened on that incident?

15 A. Yes. I'm acutely aware of the differences. There's  
16 been quite a number of different versions of that bashing.

17

18 Q. Wouldn't this represent your best memory of what  
19 occurred, the statement given --

20 A. Oh, no. No. I had not seen a doctor at that stage.  
21 I was badly bruised. When I finally made my way to the  
22 police station, I had not seen a doctor. When I finally  
23 saw a doctor, they rushed me - well, I had to go straight  
24 to hospital. They thought I had a cracked skull. I was  
25 heavily concussed and as I was about to say earlier, to  
26 this day I still cannot get clear in my mind precisely what  
27 happened. But in terms of the Melton Police Station  
28 statement, the one immediately after the bashing, I was  
29 also acutely aware, notwithstanding the fact that my mind  
30 was not functioning, I knew I had to report it to police  
31 but - the bashing at least.

32

33 I was acutely aware that if I attracted more attention  
34 to myself at that time - I had no support back then, I was  
35 on my own - I was only going to attract more attention;  
36 for what? An invitation for more of that kind of  
37 treatment, so I was conscious of that. I was not conscious  
38 of deliberately making something up because that didn't  
39 happen.

40

41 What I told the Melton Police was exactly what  
42 I thought had happened, other than - the only thing that  
43 was in the back of my mind was opening myself up for  
44 further treatment if this was to make the newspapers or  
45 what have you.

46

47 Q. You indicated that you had thought there was

1 a connection between the events of the AWU and the attack  
2 on 30 July 1999 in Melton. Were you influenced, in part,  
3 by the evidence or the matters that you've described in  
4 paragraphs 161 and 162?  
5 A. Yeah. Yeah. Bullets in the mail, two bullets on one  
6 occasion, a cartridge on a second occasion, all designed in  
7 my opinion - I've got no idea where they came from, I can't  
8 prove it's related to the AWU, but I know of nobody else  
9 that may have had any reason at all to intimidate me like  
10 that. I also received hate mail, not handwritten hate mail  
11 or typed hate mail, the old glue and paste cuttings out of  
12 magazines, I received some of that, and abusive phone  
13 calls.  
14  
15 MR STOLJAR: And one thing, Commissioner, I should seek  
16 that you mark for identification the handwritten letter  
17 from Mr Bob Smith and others to the CBA.  
18  
19 THE COMMISSIONER: That is the one that is already  
20 page 163?  
21  
22 MR STOLJAR: Yes.  
23  
24 THE COMMISSIONER: But for clarity or additional clarity,  
25 we will call that Kernohan MFI-1.  
26  
27 KERNOHAN MFI #1 HANDWRITTEN LETTER FROM MR BOB SMITH AND  
28 OTHERS TO THE CBA  
29  
30 MR STOLJAR: If it please the Commission.  
31  
32 Q. One last thing. Mr Kernohan, there has been a lot of  
33 publicity in the last day or so and, indeed, some questions  
34 asked in this Commission about a gentleman by the name of  
35 Mr Nowicki. Have you had dealings with Mr Nowicki?  
36 A. I have, yes.  
37  
38 Q. When did they start?  
39 A. They started in around about 2011 when I was  
40 encouraged again to speak out about this AWU scandal.  
41 I received a phone call from Michael Smith, the radio  
42 broadcaster at 2UE. He was based here in Sydney. That was  
43 in August 2011. I agreed - Michael convinced me, he is  
44 a very presentable person. Michael, he convinced me to yet  
45 again speak out about it. I agreed to do an interview with  
46 Michael. That subsequently led to Michael losing his job  
47 at 2UE for doing nothing else than wanting to play an

1 interview which has been cleared by 2UE's defamation  
2 lawyers for broadcast and for some reason - and I hope that  
3 this Commission may find out that reason - pressure was  
4 applied to 2UE management. Graham Mott was the head of 2UE  
5 broadcasting in those days back - well, it was just a short  
6 time ago. He's now retired, I understand. But pressure  
7 was brought to bear on 2UE, notwithstanding the evidence;  
8 notwithstanding defamation lawyers clearing my interview  
9 for broadcast with Michael. Michael was faced with an  
10 alternative: either sign this document, Michael Smith,  
11 which says you will no longer and in the future never will  
12 you revisit this AWU scandal again, never again will you  
13 mention the prime minister's Julia Gillard's name in  
14 respect to this scandal. If you do that, your job is still  
15 safe here. Well, Michael refused to sign that and Michael  
16 and the radio station parted ways for editorial  
17 differences. Well, I call it sacked. He was sacked.

18

19 Q. Now, I did want to ask you about Mr Nowicki. Has  
20 Mr Nowicki provided you with any financial or other  
21 assistance?

22 A. Yes. Harry Nowicki rang me during that period in  
23 August 2011. He had obtained my address off a stat dec  
24 that I made to Castlemaine Police Station back in around  
25 August 2010, just before the federal elections at that  
26 time. Well, I could see that Julia Gillard looked like,  
27 according to the polls and so forth, looked like being  
28 elected by the people as Prime Minister. Well, that  
29 horrified me.

30

31 Q. I am just going to ask you again: has Mr Nowicki  
32 provided you with any financial or other assistance?

33 A. Yes, he has.

34

35 Q. You tell me.

36 A. One return airfare for the opening of this Royal  
37 Commission, about \$130 Jetstar special.

38

39 Q. And that was just a few weeks ago or at least when the  
40 Royal Commission had its preliminary hearing?

41 A. That's right, yes.

42

43 Q. Has he suggested to you in any way what to put in your  
44 statement?

45 A. Not at all. Not at all.

46

47 Q. The statement is true and correct as far as you're

1 concerned?  
2 A. It is.  
3  
4 MR STOLJAR: Nothing further. Thank you, Commissioner.  
5 A. I regard Harry Nowicki as a friend so --  
6  
7 THE COMMISSIONER: Mr Kernohan, I just have a couple of  
8 questions about paragraph 132 of your statement, if you  
9 turn that up. In the third last line you say:  
10  
11 ... they were paid out redundancy  
12 payments ...  
13  
14 In the next line you say:  
15  
16 ... they received redundancy payments ...  
17  
18 The "they" are Mr Wilson, Ms Murray, Mr Collins,  
19 Mr Barnes and so forth, those six people?  
20 A. Yes, your Honour. I had the details from the  
21 Ian Cambridge investigation.  
22  
23 Q. Another question about that paragraph is this: what  
24 office did Ashley Cox hold in the AWU at that stage, if  
25 any?  
26 A. He was an organiser.  
27  
28 Q. And Sam Beechey?  
29 A. An organiser.  
30  
31 Q. And Mr Shorten, what was his office?  
32 A. Mr Shorten had just been elected to the branch  
33 committee of management and he was employed as a full-time  
34 organiser.  
35  
36 THE COMMISSIONER: Thank you. Now, who wishes to  
37 cross-examine first?  
38  
39 DR HANSCOMBE: We had applied to cross-examine Mr Kernohan  
40 and I think we were the only party.  
41  
42 THE COMMISSIONER: Right.  
43  
44 <EXAMINATION BY DR HANSCOMBE:  
45  
46 DR HANSCOMBE: Q. Mr Kernohan, I'm here for Bruce Wilson,  
47 I would just like to ask you a few questions.

1 A. Sure.  
2  
3 Q. It's pretty clear that since 1996, you've had a bit of  
4 a rough trot, is that fair to say?  
5 A. Yeah, you could say that.  
6  
7 Q. And depression is a pretty hard thing to deal with,  
8 isn't it?  
9 A. Absolutely.  
10  
11 Q. You were put on Avanza, that's an antidepressant way  
12 back in 1996. Do you still take antidepressants?  
13 A. Nowhere near as much as I used to.  
14  
15 Q. But you still do need them?  
16 A. Yes. Along with millions of others.  
17  
18 Q. I'm not saying anything negative about that. I'm just  
19 trying to --  
20 A. I'm not saying anything negative back to you. I am  
21 just indicating I am not the only one taking Avanza.  
22  
23 Q. No, that's absolutely right. Do you take any other  
24 kind of psychotropic medication?  
25 A. Seroquel when I have trouble sleeping instead of the  
26 hard addictive --  
27  
28 Q. Benzodiazepines.  
29 A. Benzodiazepines, yes.  
30  
31 Q. Seroquel is actually an antipsychotic, isn't it?  
32 A. Well, it is prescribed for me to help me sleep.  
33  
34 Q. As a sedative?  
35 A. Yes.  
36  
37 Q. Do you take anything else apart from those two?  
38 A. No.  
39  
40 Q. And I don't want to be indelicate about your health,  
41 but you've had some problems with alcohol abuse?  
42 A. Absolutely. I say that in my statement.  
43  
44 Q. Yes. And are those problems ongoing?  
45 A. Not now, but they were for many years, yes.  
46  
47 Q. And do you think they affected your memory?

1 A. No, not at all.  
2  
3 Q. Okay. It's common, isn't it, when people have serious  
4 depression - I mean we're not talking about a dose of the  
5 blues, this is a serious illness - it is common that they -  
6 what psychiatrists call ruminate, they tend to go over and  
7 over things that have happened and they wonder what might  
8 have happened differently and, "What could I have done?"  
9 Are you familiar with that term "ruminate"?  
10 A. No, I'm not, no.  
11  
12 Q. What do you use - do you experience that experience?  
13 Do you go over the past and you think about how things  
14 might have been different?  
15 A. No, I never think about how things might have been  
16 different because I would have chosen to do nothing  
17 different. I would not have - if you were suggesting to me  
18 if things had have been different, had I gone along with  
19 the cover-up --  
20  
21 Q. I am not suggesting anything. I just want the word  
22 that you are comfortable with for that experience of going  
23 over the past?  
24 A. Well, when you live with something as serious as this,  
25 and it has remained unresolved for all these years, there's  
26 been no closure.  
27  
28 Q. No, and that is really a hard thing for you to live  
29 with, isn't it?  
30 A. Not so much these days. I believe we're nearly in  
31 closure.  
32  
33 Q. You went to the police nearly 20 years ago about this,  
34 back in 1996?  
35 A. Yes.  
36  
37 Q. And the police carried out an investigation?  
38 A. Well, I went to the police and made a statement about  
39 the \$6,500.  
40  
41 Q. And you've got no reason to think they did other than  
42 their normal thing of investigating what you had told them?  
43 A. They indicated to me they knew about - more details  
44 than just the \$6,500 which I was concerned about, given  
45 that I received that money not knowing that that slush fund  
46 had been converted into a receptacle for legitimate AWU  
47 funds.

1  
2 Q. I must have asked that question badly, I'll ask it  
3 again. You made a statement to the police in 1996 about  
4 \$6,500 and you've already said the police had other  
5 information that they were investigating about AWU funds;  
6 is that correct?  
7 A. That's correct.  
8  
9 Q. And you have no reason but to think that the police  
10 did the usual proper thing of carrying out an investigation  
11 of what you had told them; correct?  
12 A. Well, not just what I had told them. They had broader  
13 information than just what I wanted to make my statement  
14 about. My statement was specifically centring around the  
15 \$6,500 and the circumstances by which that money was given  
16 to me.  
17  
18 Q. I understand that. And they took it and they  
19 investigated it?  
20 A. Well, I'm not sure whether they investigated it or  
21 not. All I know is I never heard another thing about it  
22 from the union or the police, or anybody else.  
23  
24 Q. And nobody has ever been charged with any criminal  
25 conduct; correct?  
26 A. Not to my knowledge.  
27  
28 Q. No-one has ever asked you to come to a criminal court  
29 and give evidence?  
30 A. No. I was asked to appear for what I believe to be  
31 a mention hearing when the Cambridge affidavit - sorry, the  
32 Cambridge documentation was served on me, and I didn't  
33 attend. I wrote a letter to the court at that time.  
34  
35 Q. That was the Federal Court?  
36 A. Yes, in Sydney.  
37  
38 Q. That was nothing to do with the police, was it? That  
39 was the Federal Court?  
40 A. Well I --  
41  
42 Q. Let me finish the question if I may.  
43 A. Yes, sure.  
44  
45 Q. That was the Federal Court proceedings that  
46 Mr Cambridge had instituted?  
47 A. That's correct, but Mr Cambridge also had contacted

1 Victoria police. So they had a broader investigation  
2 underway at the same time as I made my report to them about  
3 the genesis of the \$6,500.  
4  
5 Q. Yes, that's right. But no-one has ever asked you to  
6 come to court and give evidence in a criminal matter --  
7 A. No.  
8  
9 Q. And that's one of the things that really bothers you  
10 about this, isn't it? You feel that for 20 years this has  
11 been covered up, swept under the carpet, not properly  
12 investigated?  
13 A. Well, it hasn't.  
14  
15 Q. And you feel that?  
16 A. Well, I feel it, and more and more people that are  
17 realising exactly what transpired here are starting to  
18 realise it as well.  
19  
20 Q. Well, I'm just one person and all I can do is ask you  
21 questions about you. Can we just stick with what you feel  
22 about it. You feel it hasn't been properly dealt with;  
23 correct?  
24 A. Well, it hasn't.  
25  
26 Q. You feel aggrieved by that?  
27 A. I feel aggrieved, yes.  
28  
29 Q. You feel harassed and bullied because of it?  
30 A. Well, I feel aggrieved the fact that justice has never  
31 been done. This matter has never been properly  
32 investigated, that's why I feel aggrieved. Not through any  
33 bitterness, not through any animosity.  
34  
35 Q. Okay. You say you don't feel any animosity to any of  
36 the people involved in this, is that seriously what you  
37 say?  
38 A. Not direct animosity, no. "Hate" is a strong word.  
39  
40 Q. I didn't say "hate" --  
41 A. No, I did.  
42  
43 Q. -- I said animosity? You did. And you feel primarily  
44 aggrieved because proper process was not followed and you  
45 said with some force that it's necessary for national  
46 executive to approve the opening of an account, in the  
47 manner you did, and you hold that view strongly?



1 A. Correct.  
2  
3 Q. And you feel that it was very wrong that there were  
4 accounts set up that had the union's name and national  
5 executive hadn't approved?  
6 A. Correct.  
7  
8 Q. That had not been uncommon, though, had it? As you  
9 have said yourself, the very members welfare account that  
10 was set up was set up in that way; correct?  
11 A. Oh, as a slush fund, yes.  
12  
13 Q. Yes.  
14 A. Just like the social club funds with AWU.  
15  
16 Q. That's right. And there were things like the AWU  
17 TattsLotto fund, that hadn't been set up with the national  
18 executive?  
19 A. Yes, that's another example, yes.  
20  
21 Q. Yes. And in fact it is fair to say, isn't it, that  
22 20, 25 years ago, people were more casual about process  
23 than they are now? Were you --  
24 A. No, not at all. I'll let you finish the question and  
25 I'll give you a detailed answer if that's okay.  
26  
27 Q. No, you given me an answer, you have said, "Not at  
28 all", that's an answer.  
29 A. Pardon?  
30  
31 Q. That is an answer, thank you.  
32 A. What did I say?  
33  
34 Q. Not at all"?  
35 A. "Not at all"?  
36  
37 Q. Yes. So you referred to the welfare fund as being  
38 a fund that you thought was "a legitimate slush fund"?  
39 A. Correct.  
40  
41 Q. And you had no problem with the notion that there were  
42 slush funds that paid members' electoral expenses; correct?  
43 Paid expenses for people who were candidates in union  
44 elections?  
45 A. Legitimate slush funds.  
46  
47 Q. Yes, that was fine, and that's why you took the 6,500,

1 you thought that's a legitimate slush fund?  
2 A. Yes. Correct.  
3  
4 Q. Okay. And the thing that really has changed your view  
5 of that transaction with Mr Wilson is Mr Cambridge's  
6 material that you were served with in 1996; correct?  
7 A. Correct. March.  
8  
9 Q. That was the big turning event for you?  
10 A. Well, it was, because most of the material that I was  
11 served with that Ian had gathered in his investigative work  
12 was unknown to me.  
13  
14 Q. Yes.  
15 A. Particularly the document that I referred to earlier  
16 where elected officers involved themselves in this sort of  
17 conduct, yes, of course I was disturbed.  
18  
19 Q. You keep saying "this sort of conduct", but you had  
20 made judgments about the conduct although you had no  
21 first-hand knowledge of any of this, this was all  
22 second-hand information from other people, wasn't it?  
23 A. No. I had the document.  
24  
25 Q. You had the document?  
26 A. I had the document where that secret - sorry, I had  
27 the document where the secret deal was acted upon.  
28  
29 Q. Are you talking about this Cambridge 163; Kernohan  
30 MFI-1?  
31 A. Correct.  
32  
33 Q. That was the document that changed your view?  
34 A. Not the only document. That was - that's the document  
35 that made me sick.  
36  
37 Q. Okay. But you personally hadn't been involved in  
38 anything that led up to this document and you, personally,  
39 had no knowledge of it, did you?  
40 A. Well, I didn't - I didn't have any knowledge but  
41 I should have. I was the president of the branch.  
42  
43 Q. And you know, don't you, that Mr Cain - John Cain  
44 Junior as you called him - is a very senior solicitor in  
45 Victoria?  
46 A. He was at the time I knew him, yes.  
47

1 Q. He was, and he subsequently became the Victorian  
2 Government's solicitor for a period of about a decade, you  
3 are aware of that?  
4 A. No, I'm not.  
5  
6 Q. You're not. Okay. Well, take it from me that it's  
7 the case. Are you suggesting that a person of such legal  
8 eminence and seniority in the legal profession would  
9 seriously engage in major fraud such as you're alleging?  
10  
11 THE COMMISSIONER: I don't think that is an appropriate  
12 question.  
13  
14 DR HANSCOMBE: If the Commission please.  
15 Q. You have used the word "fraud" a number of times, have  
16 you not?  
17 A. I have.  
18  
19 Q. And you knew that this letter had been drafted with  
20 the assistance of Mr Cain?  
21 A. Correct.  
22  
23 Q. Are you suggesting that a person with that kind of  
24 background and that kind of eminence would be involved in  
25 something that you would call a fraud?  
26 A. Yes  
27  
28 THE COMMISSIONER: I don't --  
29 A. And can I elaborate on that for a moment, your Honour?  
30  
31 DR HANSCOMBE: I'm sorry, Commissioner?  
32  
33 THE COMMISSIONER: Everything depends upon what Mr Cain  
34 knew or had access to. You are asking - you are taking  
35 a person, attaching to him a high reputation, you are  
36 taking a lot of other material which we might call the  
37 Cambridge material and you are assuming that Mr Cain knew  
38 everything in the Cambridge material. Now, is that the  
39 case?  
40  
41 DR HANSCOMBE: I have no way of knowing if it is the case.  
42 What I am seeking to explore with this witness is the  
43 extent to which he has jumped to conclusions because of the  
44 complexion that he puts on events about which he has only  
45 second-hand and incomplete knowledge. That's the point.  
46 I have no reason whatever to think Mr Cain knew of anything  
47 untoward and, indeed, his reputation would say otherwise.

1  
2 THE COMMISSIONER: But that depends on what he was shown.  
3 You can't, as it were, match the innocent Mr Cain with the  
4 hyper-suspicious Mr Kernohan unless we know exactly what  
5 Mr Cain had in his mind and possession.  
6  
7 DR HANSCOMBE: If we were - of course that's absolutely  
8 right if the task that confronted you as the Commission  
9 were to determine anything at all about Mr Cain. But of  
10 course, at least as I understand the terms of reference,  
11 you don't have that task. You do, however, have a task of  
12 assessing the weight and worth of the evidence of this  
13 witness.  
14  
15 THE COMMISSIONER: I have to disagree. You have just  
16 stated two propositions. I would have to disagree with the  
17 first one, if there were the slightest evidence of any  
18 impropriety on Mr Cain's part.  
19  
20 DR HANSCOMBE: Yes.  
21  
22 THE COMMISSIONER: And I'm not aware of any.  
23  
24 DR HANSCOMBE: No.  
25  
26 THE COMMISSIONER: If you want to achieve the goal which  
27 you described as that which you were trying to achieve,  
28 I think it has to be approached in some other way.  
29  
30 DR HANSCOMBE: In that case I'm happy to desist from this  
31 line of questioning and turn to some other matters.  
32  
33 THE COMMISSIONER: Very well.  
34  
35 DR HANSCOMBE: For clarity, I absolutely do not suggest  
36 that there is a scintilla of evidence going to the first  
37 proposition, and I would not want to be misunderstood in  
38 any way as making such a hint.  
39  
40 THE COMMISSIONER: Right. So what are the other --  
41  
42 DR HANSCOMBE: If the Commission please, I'll turn to  
43 another line of questioning.  
44  
45 THE COMMISSIONER: Very well.  
46  
47 DR HANSCOMBE: Can I just take you back to 1996, and you

1 get this bundle of documents and, in particular, you get  
2 this document and you say this really makes you feel sick,  
3 you feel very badly about this, and subsequently it causes  
4 you to have medical problems which is obviously  
5 a regrettable thing.  
6  
7 You also said that once that had happened, you knew  
8 that it was hopeless that you were going to go into  
9 Parliament or words to that effect?  
10 A. Correct.  
11  
12 Q. What happened? You already had endorsement. Did you  
13 stand?  
14 A. No, I didn't.  
15  
16 Q. Why?  
17 A. I had a nervous breakdown. I knew - look, the  
18 realities of life in unions are these. If you decide to  
19 discharge your obligations, as in my case, in the office  
20 that I held in the union at that time, appropriately, in  
21 accordance with the rules of the union, to have matters  
22 such as this investigated, and you're going - you are  
23 a lone voice, that's where I was, I was a lone voice. My  
24 parliamentary - any chance I had of entering parliament, as  
25 I said earlier, I knew that that evaporated, the minute  
26 I walked away from Bill Shorten after that discussion about  
27 "Think of your future".  
28  
29 Q. Were you disendorsed?  
30 A. Bill Shorten was endorsed in fact for the 1998  
31 election.  
32  
33 Q. For Melton?  
34 A. Yes.  
35  
36 Q. So you were disendorsed? You said you already had  
37 endorsement.  
38 A. Well, I walked away from it. It's up to them how they  
39 describe, you know, whether I was formally disendorsed or  
40 not, I don't know  
41  
42 Q. You don't know whether you were disendorsed?  
43 A. No, I never had any further interest in it. I had  
44 a nervous breakdown.  
45  
46 THE COMMISSIONER: I'm not sure. I mean, you might be  
47 right that he gave evidence of having been endorsed but his

1 written evidence was simply that I was lined up for the  
2 seat.  
3  
4 DR HANSCOMBE: What I took down, the real-time wasn't  
5 running I think at the point but I asked my instructor to  
6 get it, but I took down the words:  
7  
8 I would have entered Parliament. I was  
9 endorsed for the seat of Melton in the  
10 State Parliament.  
11  
12 THE COMMISSIONER: Well, if it matters --  
13  
14 DR HANSCOMBE: I don't know if it matters but since the  
15 Commission --  
16  
17 THE COMMISSIONER: You asked a question about it.  
18  
19 DR HANSCOMBE: I did and I believe it to have been  
20 accurate puttage but if we could just fetch up the  
21 real-time, I can tell you. Commissioner, it's at  
22 page 290 --  
23  
24 THE COMMISSIONER: I haven't got this real-time transcript.  
25  
26 DR HANSCOMBE: I'm sorry?  
27  
28 THE COMMISSIONER: I do not have access to the real-time  
29 transcript to which you have access. Isn't it simpler,  
30 perhaps, just to ask him what the precise status of his --  
31  
32 DR HANSCOMBE: I thought I had asked him that.  
33  
34 THE COMMISSIONER: Q. Let me ask a question. In your  
35 statement, Mr Kernohan, in 135 you say you were lined up  
36 for the seat because it was common knowledge amongst  
37 various senior labour people that that was going to happen  
38 and in paragraph 137, at the end, you make a reference to  
39 the fact:  
40  
41 I was going to be pre-selected for Melton.  
42  
43 How, at that stage, was any labour pre-selection for Melton  
44 conducted? There was some meeting of people who had  
45 authority to make the choice, had any such meeting taken  
46 place?  
47 A. Your Honour, you're quite right. There is a huge

1 difference between being formally pre-selected for a seat  
2 and being endorsed for a seat. Endorsement - in terms of  
3 my case, I was endorsed by senior members, people  
4 like - I'll name them if you like - of the ALP and I was  
5 endorsed certainly by the AWU, but I had yet to be formally  
6 pre-selected.

7  
8 DR HANSCOMBE: Okay.

9 A. But that formal pre-selection was guaranteed to me by  
10 both factions in the ALP at the time, the left and the  
11 right. Kim Carr negotiated for the left, Steven Connard  
12 negotiated for the right. All I had to do was play ball  
13 and I would have been preselected. Whether I would have  
14 won the election would have depended on whether the good  
15 people of Melton would have elected me.

16  
17 DR HANSCOMBE: Plainly.

18 A. Clearly.

19  
20 THE COMMISSIONER: And after this problem that arose when  
21 you read the Cambridge documents, you simply didn't proceed  
22 further with your attempt to get into Parliament?

23 A. No, I didn't, your Honour.

24  
25 Q. And in due course a Labour candidate was selected for  
26 that seat?

27 A. Yes, the candidate who they formally pre-selected was  
28 Bill Shorten.

29  
30 DR HANSCOMBE: And you said further events in 1996, you  
31 said your office was trashed and you got messages and  
32 people weren't happy, and so on. You would agree with me  
33 that Mr Wilson was back in WA from September 1995?

34 A. Could you repeat that, please?

35  
36 Q. Yes. You said that in 1996 your office was trashed,  
37 you got messages, people weren't happy, and what I'm  
38 putting to you, those events happened in 1996, is that do  
39 you agree that Bruce Wilson had returned to Western  
40 Australia by September 1995?

41 A. Oh, yes. I make no inference that Bruce Wilson was  
42 responsible for trashing my office or the bullying that  
43 occurred in the Spencer Street office under Bob Smith  
44 number 2.

45  
46 Q. And Mr Wilson, in fact, wasn't responsible for any of  
47 the events that happened to you?

1 A. Again, could you please repeat?  
2  
3 Q. Yes. Mr Wilson was not responsible for any of the  
4 events that happened to you after he had left in August  
5 1995?  
6 A. Well, a matter of opinion there. Indirectly he was  
7 responsible because he was directly responsible for the  
8 issues that led me down the road of no return, as it were,  
9 for my own future; my health. He was directly responsible  
10 for that so, yes.  
11  
12 Q. You have no first-hand knowledge of any of the  
13 relevant events? It has all come from other people, from  
14 Mr Cambridge or from documents or from Rick Thomas;  
15 correct?  
16 A. My information, if I can answer the question, is not  
17 a simple "yes" or "no." My information was gathered  
18 substantially, largely, as a result of the excellent  
19 investigative work of Ian Cambridge. They are  
20 documented - it's documented evidence. It's not hearsay.  
21 It's not scuttlebutt. It is documented evidence.  
22  
23 I was the president of the union, I recognised my  
24 obligations but, unfortunately, the obligations of others  
25 went out the window and - if that answers your question,  
26 I'm not sure.  
27  
28 Q. Everything you know that's about the events prior to  
29 August 1995 you know either from documents or from being  
30 told it by Terry Muscat, Greg Thomas, other people, that's  
31 right, isn't it?  
32 A. Again, could you repeat those names or repeat the  
33 question, please?  
34  
35 Q. Everything you know about the events that concern you  
36 at the AWU prior to August 1995, you only know from  
37 documents or from being told it by other people?  
38 A. Mainly the documents. Not so much hearsay.  
39  
40 Q. Okay. You knew a builder called Con who did some work  
41 at the Drummond Street union property; is that right?  
42 A. I didn't know a builder called Con. I don't know  
43 a builder called Con.  
44  
45 Q. You didn't? Okay. Sorry, Commissioner, to hold you  
46 up.  
47



1 THE COMMISSIONER: That's all right.  
2  
3 DR HANSCOMBE: Can I just bring your attention to the  
4 Kerr Street property - Kerr Street, Fitzroy?  
5 A. Yes.  
6  
7 Q. After the fact, you knew that that property had been  
8 bought in the name of Ralph Blewitt; is that right?  
9 A. Well, I didn't go into that - to that extent of  
10 examination. I had again the Ian Cambridge documents which  
11 included the deeds for that property, the purchase,  
12 photocopies of the cheque made out to Slater & Gordon.  
13 I had - as I said I'm not a lawyer, but I had the  
14 superficial - I believe was a prima facie case that  
15 implicated people from Slater & Gordon and certainly Bruce  
16 Wilson and others. Ralph Blewitt, I saw Ralph's name on  
17 cheques. I didn't know back then what I do know now.  
18 I was here when Ralph Blewitt gave his evidence, but at  
19 that point in time my main concern was - again I'll use the  
20 word - fraud that had been perpetrated on the AWU.  
21  
22 Q. I follow that. But you have no knowledge, do you, of  
23 what Blewitt did and what Wilson did individually in  
24 respect of Kerr Street?  
25 A. No. No. I just make the statement that the property  
26 was fraudulent, the buying and the selling.  
27 Q. How did Mr Nowicki - you may not know the answer to  
28 this and if the answer is you don't know, then you don't  
29 know, but how did Mr Nowicki get your statutory declaration  
30 from the police?  
31 A. Which one?  
32  
33 Q. The one in August - well, I don't know which statutory  
34 declaration. You said Mr Nowicki rang you in August 2011  
35 and he got your address from a statutory declaration you  
36 had given to the police. How did he get it?  
37 A. The statutory declaration I refer to there was the  
38 statutory declaration I made in August 2010 where I could  
39 see there was a likelihood that Julia Gillard could be  
40 elected Prime Minister by the people of this country.  
41 Knowing, with these matters hanging over not just her head  
42 but her former boyfriend's head and others, I put pen to  
43 paper and I pencilled a stat - what was a draft or  
44 a statutory declaration that I wanted to swear to.  
45 I eventually swore to that statutory declaration at the  
46 Castlemaine Police Station in August 2010 about three or  
47 four weeks prior to the 2010 federal election and, for the

1 third time I say I'm not a lawyer and it's quite evident  
2 I'm not, because if you look at that statutory declaration,  
3 I identify where I live, I identify my work cover, but  
4 particularly my home address was on that document and after  
5 I swore it at Castlemaine Police Station, I didn't put it  
6 on the internet but somebody did, and it went viral, as  
7 they say, and there was over nearly a million separate  
8 postings, so that immediately meant I had to move out of  
9 that location where I lived, the press were all over the  
10 place, but I wasn't so much worried about the press, I was  
11 worried about others knowing where I lived because I had  
12 just moved to Castlemaine from Melbourne, Central Victoria  
13 I moved to.

14  
15 Q. So you don't know who put it on the internet?

16 A. I don't know.

17

18 Q. What was the website, do you remember?

19 A. Oh, there was - as I said a million. I've got  
20 relatives in England and I had a phone call from my  
21 brother, he come across it on the internet.

22

23 Q. But you don't remember the original website where it  
24 had been put up?

25 A. No. No. I don't know.

26

27 Q. When did that happen?

28 A. August 2010. August/September.

29

30 Q. Not long after you had made it?

31 A. That's right.

32

33 Q. Okay. And you gave it to the police when you made it?

34 A. I swore it at the police station.

35

36 Q. And you gave it to the police?

37 A. Oh, yes. Yeah.

38

39 Q. A man called Richard Thomas who used to be a partner  
40 in a firm called Arnold Thomas & Becker, you have known him  
41 for a long time?

42 A. About 34 years. A good friend of mine.

43

44 Q. Yes. And indeed you said he had given you donations  
45 between \$2,000 and \$3,000 for your election campaign?

46 A. He did, yes.

47

1 Q. Is he the person who - no, I withdraw that. Have you  
2 discussed your evidence to be given in this Commission with  
3 him?  
4 A. No. Not in detail.  
5  
6 Q. But you have discussed it?  
7 A. Of course. Rick is au fait with this AWU scandal. He  
8 was very close to the AWU. Being the preferred lawyer at  
9 the time, your Honour, Arnold Thomas & Becker, they were  
10 called, they serviced our members for many years, that's  
11 how I struck up a good friendship with Rick Thomas and, of  
12 course, he was aware more than most and could grasp the  
13 issues, such a complex issue. Rick would probably have a  
14 conversation with me and identify - instead of thinking  
15 that I'm crazy, he could identify the issues that  
16 I was - that I wanted exposed.  
17  
18 Q. Has he given you any other financial assistance other  
19 than that donation?  
20 A. No.  
21  
22 Q. And Mr Nowicki has only paid for you for one aircraft  
23 flight?  
24 A. Yes, and perhaps the odd - not restaurant meal,  
25 perhaps pub meal.  
26  
27 Q. But he hasn't provided legal advice to you, for  
28 instance?  
29 A. Oh, no. No. In fact Mr Nowicki, this might assist,  
30 when I first met counsel assisting down in Melbourne, the  
31 Royal Commission, I had Mr Nowicki with me and I think my  
32 comments that day were recorded, and I invited Harry  
33 Nowicki to come with me as a friend and I clarified that  
34 when we sat down: "Harry Nowicki is here as a friend, not  
35 as my legal counsel." Harry, because he was researching  
36 his book into the AWU, he has a wealth of knowledge, I just  
37 thought maybe it might be something he could contribute to,  
38 but - so that was the reason why Harry Nowicki was with me.  
39  
40 DR HANSCOMBE: I have nothing else, Commissioner  
41  
42 THE COMMISSIONER: Thank you, Dr Hanscombe.  
43  
44 Q. Mr Kernohan, thank you very much for coming along to  
45 give your evidence.  
46 A. Your Honour, could I just make two points?  
47

1           There has been two frauds in my opinion committed  
2 here. I have to say this. The first fraud was the AWU  
3 slush funds scandal implicating people who have moved to  
4 very high positions in this country.  
5

6           The second fraud - and this is the one that hurts me  
7 just as much as the first. I said earlier I love the AWU  
8 even though I'm no longer a member. The second fraud was  
9 perpetrated on the Australian people, and I hope that the  
10 findings of this Royal Commission will result in a set of  
11 circumstances that allowed a cover-up, a scandal, to go all  
12 the way to the highest office in this land. It is an  
13 absolute disgrace, and I'm going to do my best to ensure  
14 that something can be done to make sure it never happens  
15 again.  
16

17 THE COMMISSIONER: Yes. Mr Kernohan, you are excused from  
18 further attendance and you can leave the witness-box.  
19

20 <THE WITNESS WITHDREW  
21

22 THE COMMISSIONER: Mr Stoljar, do we have other business to  
23 transact?  
24

25 MR STOLJAR: The next witness is Mr Wilson who is coming  
26 tomorrow morning. We could fill in some time by dealing  
27 with objections to Mr Wilson's statements or we can leave  
28 that till tomorrow morning, I'm in your Honour's hands  
29

30 THE COMMISSIONER: Dr Hanscombe, what would you prefer to  
31 do?  
32

33 DR HANSCOMBE: I have had no notice of any such  
34 objections. What would be probably the most efficient  
35 would be for Mr Stoljar, if he can give them to me in  
36 writing, to give them to me in writing, and I can have a  
37 look at them overnight. It may be we can save some  
38 argument in front of the Commission tomorrow.  
39

40 THE COMMISSIONER: Yes.  
41

42 DR HANSCOMBE: I should say I sent an email to Mr Stoljar  
43 this morning to say there is a few corrections, I think  
44 there's four. I might be wrong. There might be five.  
45

46 THE COMMISSIONER: What is your reaction, Mr Stoljar?  
47

1 MR STOLJAR: I have no difficulty with that course and  
2 I can indicate very quickly --  
3  
4 THE COMMISSIONER: Can I just raise, just for noting now,  
5 Dr Hanscombe, an objection that I would like to make.  
6 I won't say anything out loud about it.  
7  
8 In paragraph 33, the last sentence, there is no need  
9 to look at it now, but you might just like to reconsider  
10 whether you rely on that last sentence in paragraph 33.  
11  
12 DR HANSCOMBE: Paragraph 33 of Mr Wilson's first  
13 statement, yes.  
14  
15 THE COMMISSIONER: There's no need to say anything about  
16 it now.  
17  
18 DR HANSCOMBE: I can't say I know anything about the  
19 detail of that at all. I will take some instructions and  
20 get back to you.  
21  
22 THE COMMISSIONER: Very well. We will adjourn until --  
23  
24 MR CLELLAND: Very briefly, Commissioner, can I raise a  
25 matter?  
26  
27 THE COMMISSIONER: Yes.  
28  
29 MR CLELLAND: Commissioner, when Mr Kernohan's statement  
30 was sought to be tendered by counsel assisting,  
31 Commissioner, you raised the question of whether there were  
32 any objections to the tender. I had taken that invitation  
33 and nothing that you have said has disabused me of this  
34 view, it not to be an invitation for me to rise and point  
35 out hearsay evidence or speculation and things of that  
36 kind. I've taken the view that if and when we're making  
37 submissions and there's a question about the weight to be  
38 given to a particular statement, whether the Commission  
39 could or should act upon it, we could debate the issue then  
40 and our position would be reserved.  
41  
42 THE COMMISSIONER: On one approach almost all of the  
43 statements are completely inadmissible. At a slightly  
44 perhaps more practical level, quite a lot of them are of  
45 very marginal relevance, although in the case of Mr Wilson  
46 and Mr Kernohan, it's perhaps quite useful for those who  
47 don't know much about trade unions and perhaps the same

1 goes to Mr Cambridge as well, to get some general  
2 background as to how things worked. But your proposition  
3 is really a weight argument, and in conventional litigation  
4 there is an extremely close connection, of course, between  
5 admissibility and weight. If something is admissible it's  
6 usually convincing. If it's marginally admissible it's  
7 often not very convincing. Those points can be made in  
8 address.

9  
10 MR CLELLAND: If the Commission please.

11  
12 THE COMMISSIONER: Very well. We will adjourn until 10am.

13  
14 AT 3.20PM THE COMMISSION WAS ADJOURNED TO THURSDAY,  
15 12 JUNE 2014 AT 10AM

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