



**MINISTER FOR EMPLOYMENT AND WORKPLACE RELATIONS  
MINISTER FOR FINANCIAL SERVICES AND SUPERANNUATION**

Mr Robert Oakeshott MP  
Committee Chair  
Joint Committee of Public Accounts and Audit  
Parliament House  
CANBERRA ACT 2600

23 OCT 2012

*Rob*

Dear Mr ~~Oakeshott~~

Thank you for your letter of 14 September 2012, seeking copies of the Fair Work Australia (FWA) reports to me of progress towards addressing the issues identified by the KPMG review into the FWA investigations of the Health Services Union.

I am pleased to assist with the Joint Committee's request. Please find attached a copy of the initial report received by me on 28 September 2012. I will be happy to forward future reports and updates to you as they become available.

I trust the information provided is helpful.

Regards

**BILL SHÖRTEN**

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FAIR WORK  
AUSTRALIA

25 September 2012

The Hon Bill Shorten MP  
Minister for Employment and Workplace Relations,  
Financial Services and Superannuation  
PO Box 6022  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

BERNADETTE ONEILL  
GENERAL MANAGER

Dear Minister

**KPMG Review of Health Services Union investigations  
Quarterly update regarding measures taken by Fair Work Australia**

I refer to your letter of 17 September 2012 in which you ask to be provided with quarterly reports outlining the measures and steps taken by FWA in relation to KPMG's Process Review of Fair Work Australia's Investigations into the Health Services Union (the KPMG review).

Under cover of a letter dated 3 September 2012 I provided you with FWA's submission to the Joint Committee of Public Accounts and Audits setting out details of initiatives under consideration by FWA in response to the KPMG review. I can advise that the following further actions have been, or are being, undertaken by FWA since my letter of 3 September 2012:

- The Australian Public Service Commission has approved an additional SES-level position for FWA, taking the number of SES employees from 3 to 4. The newly created position of Director, Regulatory Compliance Branch reports directly to me and is a member of the FWA Executive Group. The Acting Director, Regulatory Compliance will report monthly to the FWA Executive Group regarding the Branch's activities;
- Information regarding current inquiries and investigations is now available from the FWA website at <http://www.fwa.gov.au/index.cfm?pagename=regorgsinvestigations>.
- Since the conclusion of the HSU National Office investigation on 28 March 2012, FWA has commenced five inquiries under section 330 of the *Fair Work (Registered Organisations) Act 2009*. Two of those inquiries have concluded, and the remaining three inquiries are continuing.
- Members of the Regulatory Compliance Branch have been given access to, and training in, FWA's document management system (TRIM) which will be used by inquiry and investigation teams. In accordance with the requirements of the Australian Government Investigation Standards (AGIS), TRIM provides a secure document management system which can be used to record investigation plans, investigation activity and management of risks, assist in exhibit management and

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facilitate the preparation of reports to the General manager and briefs of evidence to the Commonwealth Director of Public Prosecutions. Further, TRIM enables FWA to store documents in accordance with the *Archives Act 1983*, which is also an AGIS requirement;

- FWA is establishing a panel of skilled external investigation resources. It has already established, or is in the process of establishing, "piggy backing" arrangements to access services provided to the following panels:
  - Legal Services Panel, Fair Work Ombudsman;
  - Forensic computing services, Centrelink Network Head Agreement (SOXS05/0622); and
  - Accounting and Related Professional Services Panel 2010-2015, Department of Education, Employment and Workplace Relations;
- FWA is currently arranging to "piggy back" onto the Learning and Development panel of the Fair Work Ombudsman in order to engage a service provider for provision of training in Certificate IV in Government (Investigations) for staff of the Regulatory Compliance Branch in both Sydney and Melbourne by the end of 2012;

With respect to proceedings that I commenced in the Federal Court of Australia in March of this year as a result of the Delegate's investigation into the Victoria No.1 Branch of the Health Services Union (HSU), I can also advise that all respondents, being the HSU, Mr Jeff Jackson, Mr Shaun Hudson and Ms Pauline Fegan, have admitted contraventions alleged against them in the statement of claim with the exception of one contravention involving the alleged failure to provide receipts. I determined that it was not in the public interest to pursue an allegation that Mr Hudson had failed to provide receipts in relation to a portion of credit card expenditure. Under a consent order of his Honour Justice North, all respondents have agreed to file evidence by 26 October 2012 with a penalty hearing on a date to be fixed.

I expect to file proceedings in the Federal Court of Australia within a few weeks with respect to the Delegate's investigation into the HSU National Office.

I look forward to providing you with a further update in three months.

Yours sincerely

Bernadette O'Neill  
General Manager