



# Fitzgibbon's \$150,000 from Chinese developer

## Former defence minister cultivated over years

### SPECIAL INVESTIGATION

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PRIVATE records of a Chinese-Australian businesswoman close to former defence minister Joel Fitzgibbon indicate he received substantial payments as part of a campaign to cultivate him as an agent of political and business influence.

The confidential papers of businesswoman Helen Liu contradict claims last year by Mr Fitzgibbon — and his father, former Labor MP Eric Fitzgibbon — that they had no financial or business relationship with Ms Liu.

Mr Fitzgibbon resigned from Cabinet last June after it was revealed his brother, NIB Health Funds chief Mark Fitzgibbon, had used his office to lobby for defence health contracts.

The minister's political standing had already been weakened by his failure to disclose that he had accepted two first-class flights to China bankrolled by Ms Liu, a wealthy entrepreneur with high-level political and military contacts in Beijing. He was also renting his Canberra residence from the Liu family.

The documents obtained by *The Age* show Ms Liu recorded her 1997-98 payment of 850,000 Chinese yuan — approximately

\$150,000 at the then current values — to Joel Fitzgibbon under the heading "money paid including expenses and gifts".

The same document shows Ms Liu recorded the establishment of a joint venture with the Fitzgibbon family, including reference to "Eric (Fitzgibbon) as agent. Regular visits to China. \$3 million for start up".

In a letter to a senior Bank of China executive, Ms Liu wrote that Joel Fitzgibbon would become a cabinet minister when federal Labor won power, adding: "The money we pay him is worthwhile."

*The Age* can also reveal that the office of Deputy Prime Minister Julia Gillard was told in April last year by lawyers for a former business associate of Ms Liu that Mr Fitzgibbon may have had more extensive dealings with the businesswoman than acknowledged.

In response to the latest disclosures, Mr Fitzgibbon said he had already declared all he was required to about his relationship with Ms Liu, who returned to China late last year where she remains. Last night she would not comment.

Mr Fitzgibbon said: "I totally

reject the suggestion that I have received any money from Helen Liu beyond campaign donations which were appropriately declared as required."

He would not comment on his father's dealings with Ms Liu.

However, Eric Fitzgibbon — who last year denied any commercial ties to Ms Liu — has this week disclosed that he has worked for the businesswoman by helping sell apartments in her property development in Qingdao, in China's Shandong province.

The former MP, who does not speak Chinese, said he was not paid in cash, but had his accommodation, travel and other expenses covered.

Eric Fitzgibbon told *The Age* this week: "They were building a hotel, a major development in a part of China. They asked me if I would like to give them a hand for the selling of the units. I appreciated the opportunity."

The 135 pages of personal and business records obtained by *The Age* after a 10-month

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## Gillard's office told of more 'dealings'

By PHILIP DORLING  
and NICK MCKENZIE

THE office of Deputy Prime Minister Julia Gillard was told early last year that an associate of Helen Liu had fresh information detailing the Chinese businesswoman's relationship with Joel Fitzgibbon.

The claim that Mr Fitzgibbon may have had more extensive dealings with Ms Liu than he had acknowledged was passed on to Ms Gillard's office around April by Labor-linked law firm Slater & Gordon, where Ms Gillard was once a partner.

At the time, Slater & Gordon was acting for a past business associate who claimed to have intimate knowledge of Ms Liu's affairs.

The information given to Slater & Gordon included a photograph of Mr Fitzgibbon drinking beer on a flight to China.

The government has twice refused freedom-of-information applications to release any cor-

respondence relating to dealings between Ms Gillard's office and Slater & Gordon on the Fitzgibbon issue.

However, Ms Gillard's office has confirmed that it was contacted by Slater & Gordon on behalf of a client of the law firm but said the information it was given was vague and uncorroborated.

"No specific allegation was made and no supporting documents were supplied," Ms Gillard's spokeswoman said.

"The Government made appropriate checks and, given the lack of specific allegations or supporting documents, determined that no further action was required."

The businessman conveyed the information to Slater & Gordon via an intermediary, who later claimed that the law firm had advised that involvement in political controversy could jeopardise the business-

man's dealings in NSW.

The law firm has declined to discuss its dealings with the businessman.

Mr Fitzgibbon resigned as defence minister on June 4, immediately following a meeting with then cabinet secretary Senator John Faulkner and the Prime Minister's chief of staff, Alister Jordan.

Mr Rudd said the sole reason for Mr Fitzgibbon's resignation was a conflict of interest arising from the lobbying activities of his brother, NIB health funds chief executive Mark Fitzgibbon.

Shortly after his resignation, Joel Fitzgibbon told a local newspaper that Mr Rudd had "made it clear that there is a pathway back to the cabinet".

### Got a tip?

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Julia Gillard: Lawyers from Slater & Gordon relayed claims about Joel Fitzgibbon to her office.





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# Liu claims: Gillard 'unaware'

By RICHARD BAKER,  
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DEPUTY Prime Minister Julia Gillard has claimed she knew nothing about allegations of undisclosed aspects of former defence minister Joel Fitzgibbon's dealings with businesswoman Helen Liu — despite the fact her office has been handling media inquiries and freedom-of-information requests about the issue for eight months.

*The Age* yesterday revealed

that Ms Gillard's office was told by Labor-affiliated law firm Slater & Gordon in March last year that a former business partner of Ms Liu had substantial new information detailing aspects of Mr Fitzgibbon's 16-year association with Ms Liu.

Mr Fitzgibbon's association with the businesswoman, a generous donor to his election campaigns, sparked controversy after he admitted failing to declare to Parliament two first-class trips to China paid for by her companies.

Private business records of Ms

Liu obtained by *The Age* contain references to substantial payments to Mr Fitzgibbon that appear not to have been declared by the MP.

Mr Fitzgibbon yesterday denied in Parliament what he called "outrageous" and "defamatory" allegations that he might have received about \$150,000 from Ms Liu as part of a campaign to cultivate him as a business and political contact.

"The matter is now in the

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## Gillard 'unaware' of Fitzgibbon claims

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hands of my lawyers for immediate action," he said.

In Parliament yesterday Ms Gillard confirmed her office was contacted by Slater & Gordon 10 months ago. "In late March last year my former chief of staff was contacted by a solicitor at Slater & Gordon," she said.

"No specific allegations were raised. A subsequent email was sent containing a photograph of Mr Fitzgibbon on a plane with an unnamed Chinese gentleman. No words or allegations were contained in the email."

*The Age* can confirm that the photograph showed Mr Fitzgibbon flying to China in 1993 in the company of Ms Liu's then business partner, Humphrey

Ms Gillard said the government had made "appropriate checks" and given a "lack of specific allegations and no supporting documentation determined no further action was required".

Responding to a question by Deputy Opposition Leader Julie Bishop, she said "the allegations about [Mr Fitzgibbon] were news to me. The first time I was

aware of them was when I read the newspapers this morning."

However, in response to inquiries by *The Age*, Ms Gillard's office had first confirmed the contact with Slater & Gordon as long ago as May last year.

In an email to Fairfax on May 6, 2009, a spokeswoman for Ms Gillard said her office had been contacted by Slater & Gordon to advise that they were representing Mr Xu. "This contact was as a courtesy as the Deputy Prime Minister was acting Prime Minister at the time," she said. Before entering politics, Ms Gillard was partner in Slater & Gordon.

Subsequently the government twice refused freedom-of-information applications by *The Age* to release any correspondence relating to dealings between Ms Gillard's office and Slater & Gordon on the Fitzgibbon issue.

The Department of Education, Employment and Workplace Relations has claimed the records of correspondence between Ms Gillard's office and the law firm did not constitute

an "official document of a minister" and were consequently not covered by the FOI Act.

A business associate of Mr Xu involved in dealing with Slater & Gordon on his behalf has said the firm advised that involvement in political controversy could threaten his NSW property dealings. Mr Xu and Ms Liu were partners in companies that had a Sydney property portfolio worth \$60 million until their relationship ended in 1996.

Between 1993 and 1996, the pair had established a friendship with Mr Fitzgibbon and his father, ex-Labor MP Eric Fitzgibbon. One of their companies, paid for the father and son to fly first-class to China in 1993.

Slater & Gordon managing director Andrew Grech told *The Age* Mr Xu requested the firm contact Ms Gillard's office to inform her staff he was "being harassed by various people in the Liberal Party" over his knowledge of Mr Fitzgibbon and Ms Liu's friendship.

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