



Barry Gibson
Financial Controller
HSU East
Lvl 2
109 Pitt Street
SYDNEY NSW 2000

Original by email barry.gibson@hsueast.com

2009-10 Associated Entity Annual Disclosure for HSU East

Dear Mr Gibson

As you are aware HSU East has an obligation to lodge an associated entity annual return under Part XX of the *Commonwealth Electoral Act 1918* (the Act) by 20 October each year. The Act also provides penalties for failing to keep records required to complete a return and for lodging incomplete returns.

According to an article in the Australian newspaper today, the national president Michael Williamson said that HSU East made a "genuine clerical error" when he was asked about the amendment you lodged on Monday. That is, the amendment to the 2009-10 Associated Entity Annual Return for HSU East which updates the total receipts from Nil to \$17,935,800 and the total payments from \$22,225 to \$16,284,546.

I have a major concern about both the accountability of the HSU East and the reporting obligations to be public that have been compromised. In light of the significant discrepancies in the original return I am now seeking information on how it is possible to report Nil receipts and only \$22,225 payments when it now appears that the entity had substantial financial transactions that should have been reported in the original return. Would you provide:

- details of the financial management system employed to record your financial transactions required to be included on the return;
- details on how the missing transactions were not taken into account in the preparation of the return;
- any working papers used to derive the original amounts disclosed; and
- the processes used to validate the information in the return before you certified that the information contained in the return was true and complete.

I appreciate your cooperation in providing this information and look forward to an early reply.

Please note that, while I have not used the coercive powers available to the AEC to obtain this information under section 316 of the Act, if I do not receive a response to each of the above matters before **COB 16 September 2011**, the AEC will be forced to consider how to further progress this matter.

If you have any queries concerning the above matters I can be contacted on (02) 6271 4474.

Yours sincerely

Paul Pirani
Chief Legal Officer

31 August 2011