

Australian health union leader pleads guilty to corruption

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Former Health Services Union (HSU) national secretary Kathy Jackson last week pled guilty to two charges of obtaining a financial advantage by deception. The financial advantage refers to almost \$68,000 of HSU funds which she fraudulently spent on travel and “personal items” between 2003 and 2010.

Jackson’s guilty plea follows a trial in December 2019, which was the subject of a suppression order pending the outcome of the second trial, which concluded last week with Jackson admitting to the two offenses. One conviction was for using \$13,100 of HSU money as reimbursement for travel when she had already been paid for it. The other was for providing \$22,000 to her ex-husband Jeff Jackson, former general secretary of the Victorian branch of the HSU, to pay off a debt for his Mercedes car.

The funds came from a bank account Jackson established called the National Health Development Account (NHDA), which was neither declared nor audited. The \$250,000 she deposited into this account was from Melbourne’s Peter MacCallum Cancer Centre, which was paid to her as a penalty for breaches of employment entitlements to staff at the centre. It is not at all clear if the employment entitlements were eventually rectified.

Jackson, who served as national secretary between January 2008 and February 2015, was sued by the HSU in the Federal Court in August 2015. The court ruled she had misappropriated union funds for personal expenditure, including for her divorce. Jackson was then ordered to pay \$1.4 million in compensation to her old union. She declared bankruptcy following the finding.

Jackson becomes the third top-ranking HSU official to be convicted of fraud and misappropriation of union funds, although it appears her plea deal will see her avoid jail.

Michael Williamson, former national president of the HSU was charged with more than 50 offenses of fraud and obstruction of justice and pled guilty to four. He was convicted in 2013 of stealing almost \$1 million of union funds and sentenced to seven and a half years jail of which he served five.

According to a report in the *Sydney Morning Herald*, in a plea deal Williamson agreed to repay \$5 million to the HSU, which he had used to fund his family’s lavish lifestyle. On the day of the agreement he filed for bankruptcy. As his wife had already

commenced divorce proceedings her share of the estate was protected from the agreement. On Williamson’s release from jail in March 2019 he moved into his ex-wife’s waterfront house on picturesque Lake Macquarie. The family also owns the house next door.

The third in the trifecta is Craig Thomson, former federal Labor member of parliament for the New South Wales seat of Dobell, and Jackson’s predecessor as HSU national secretary. He was accused by Jackson of theft of union funds, in a bitter and sordid feud for control of the union and Labor Party parliamentary posts. Thomson was convicted in 2014 of 13 charges of theft and defrauding the HSU. He was fined \$25,000.

While these union bosses, all pocketing six figure salaries in their official positions, clawed over each other for control of the union coffers, the 90,000 HSU fee-paying members, many of whom are aged care and disability workers, orderlies, pathology staff and other hospital employees, languished on wages as low as \$20 per hour, and continue to do so. They endure increased and impossible workloads, long hours and dangerous working conditions where they daily face the risk of contracting COVID-19.

The lifestyle and machinations of those at the top of the HSU and the members they purport to represent are as if from two parallel worlds. In testimony about the \$22,000 payment to Jackson’s ex-husband at her first trial, she stated, according to the *Australian*: “It was the first payment out of the NHDA but I suppose it was the price of doing business with the New South Wales branch.

“What I mean by that is to get to the position that I got to, in the Health Services Union, you don’t get there by like not playing the game back with them. What I mean by that is they want to make sure that they have something on you....”

Her barrister, in successfully explaining away the other 20 charges against Jackson, said, “ugly things happen for a good result.” Jackson, he stated in her defence, was working in a “dirty, shark-infested pool where, quite frankly the weak don’t survive, they get used as political footballs, members get the leftovers, and you have got to be friends with people like Michael Williamson if you want to do your job as a union member.”

This was, in fact, the only mention of the members of the union. In the two decades of the leadership of Williamson, Thomson and Jackson, health workers' wages and working conditions have come under sustained attack by governments, both Labor and Coalition, and the privately-owned and dominated aged care and hospital sectors.

The casualisation of the health industry, not just unchallenged but implemented by the unions, has ballooned, particularly in aged care, where the rate increased from 7.7 percent in 2014 to 14.4 percent in 2016. In 2003, the number of registered nurses in aged care was 21.9 percent. By 2016 the number was 14.9 percent. This decline coincided with a rise in the percentage of personal care attendants, lower paid and less trained staff, which increased from 56.5 percent to 71.5 percent. Many of these workers are casual and earn around \$21.50 per hour. Nurses in aged care are paid on average 10 percent lower than their counterparts throughout the health industry, with personal carers paid 15 percent less.

The recently concluded Royal Commission into Aged Care highlighted the terrible conditions confronting the old, frail and vulnerable in these institutions, which has now been exacerbated by the pandemic where 75 percent of Australia's COVID-19 deaths were residents of aged care facilities. Staff in hospitals and aged care facilities were being infected in the workplace at a rate six times higher than the general community.

The HSU and other health care unions have presided over the deteriorating and impossible conditions revealed in the Royal Commission, during which staff revealed in questionnaires and surveys the unsustainable workloads they confront. One Assistant in Nursing (AIN) stated that she had 15 minutes each morning allocated to each high-care dementia patient during which she had to shower, dress and attend to their needs.

Jackson's 2013 accusations, as well as the convictions of theft and fraud by the HSU officials, were, in part, the justification used in 2014 by then Coalition Prime Minister Tony Abbott to call the Royal Commission into Trade Union Governance and Corruption. The relationships, deals, back-handers and outright payoffs by businesses to trade union officials detailed in the pages of the Royal Commission report were known by all involved with the notable exception of the members of the unions. What was made clear was that the HSU's looting of union treasuries and the benefits its official accrued from well-paid board positions was not the exception but the rule.

Outlined was a conspiracy between the trade union bureaucracy and Australian and international corporations to gut jobs and erode the wages and conditions of the working class. The Royal Commission was itself a mechanism to further discipline the trade union leadership to deepen the assault on awards, workers' rights, wage levels and penalty rates, a process which has since been accelerated.

While the HSU officials were outed because of the internal

rivalry and warfare between factions, their actions are not due solely to the greed, avarice and corruption of the individuals named, although that exists in abundance. Rather they flow from the transformation of the unions over the past three decades as the result of the globalisation of production which has eliminated the basis for national-based economies and reforms.

The unions, whose very existence was bound up with a struggle to extract limited concessions and reforms from employers, always defended the capitalist system. Nationally regulated economies were able, for a relatively short period, to provide the crumbs from the table, but the internationalisation of production has ended that possibility.

The role of the unions and all national-based political organisations has been transformed. The unions now function as a highly paid police force, implementing the economic agenda required by their "own" national bourgeoisie to ensure international competitiveness.

That industrial action in Australia is at historic lows is due to the suppression of working-class struggles and the subordination of the interests of workers to those of the capitalists, for increased productivity, reduced wages and the destruction of hard won rights and conditions, all in the name of international competitiveness.

These officials, so removed from the lives and working conditions of their members, are increasingly reliant for their positions on corporate, bank and superannuation boards. Their existence is funded more by appointments to such boards than ever-dwindling membership dues, which are the outcome of the exodus of workers from these organisations.

There are lessons which must be drawn from these experiences. Workers cannot rely on these thoroughly corrupt and venal organisations. The pandemic has been used by the federal and state governments and the corporations, working in daily collaboration with the unions, to destroy tens of thousands of jobs in universities, eliminate the eight-hour day amongst public servants, and impose levels of poverty and hunger not seen since the 1930s Depression, in the name of ensuring survival of the 'national Australian economy,' i.e., the profits and wealth of the corporations and big business.

It is not a change in the leadership or reform of the unions which is necessary but the establishment of entirely independent organisations, rank-and-file committees of workers to take charge of the situation and enforce the measures required to ensure their health, wellbeing and social rights. This can only be based on a perspective to unite workers internationally on a socialist program.



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