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Ms Fiona Bennett FAICD FAIM  
Chairperson – Legal Services Board of Victoria

CC Mr David Forbes  
General Counsel, Legal Services Board of Victoria  
By email

Wednesday, 29 May, 2013

Dear Ms Bennett,

**CONTINUING SERIOUS EFFECTS OF AN IRREGULARITY IN THE SLATER AND GORDON TRUST ACCOUNT – Trust Account Receipt T2830, Mr Ralph Blewitt, \$67,722.30 dated 22 March, 1993**

Thank you for your letter yesterday and the accompanying email advising me that the CEO of Victoria's Legal Services Board apprehended a potential conflict of interest in examining my report of an apparent irregularity in the Slater and Gordon solicitor's Trust Account. I am most grateful for your suggestions as to the form and contents of this report. I refer to an Australian practitioner's duty in relation to any Trust Account irregularity.

*Legal Profession Act 2004*  
*Act No. 99/2004*

**s. 3.3.23**

Part 3.3—Trust Money and Trust Accounts

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- (2) If an Australian legal practitioner believes on reasonable grounds that there is an irregularity in connection with the receipt, recording or disbursement of any trust money received by a law practice of which the practitioner is not a legal practitioner associate, the practitioner must, as soon as practicable after forming the belief, give written notice of it to—
- (a) the Board; and
  - (b) if a corresponding authority is responsible for the regulation of the accounts relating to the trust money concerned—the corresponding authority.

Penalty: 60 penalty units.

- (3) An Australian legal practitioner is not liable for any loss or damage suffered by another person as a result of the practitioner's compliance with subsection (1) or (2).

This is a simple matter, a one entry rectification to change the name Ralph Blewitt as the source of funds to the actual source, the Australian Workers' Union Workplace Reform Association. However time is of the essence as the Trust Account irregularity that is the subject of this report has been and is being extensively quoted including in the Federal Parliament.

While the original error was entered into the Slater and Gordon Trust Account Ledger on 22 March, 1993, it is Slater and Gordon's persistence in quoting the apparently false entry and the firm's current-day statements that have serious consequences for the nation's current-day governance and justice system. As recently as April this year, Slater and Gordon wrote to an external party stating that Ralph Blewitt was the source of \$67,722.30 paid into the Slater and Gordon Trust Account to complete the purchase of 1/85 Kerr Street Fitzroy on 22 March, 1993. That statement by Slater and Gordon is untrue.

Ralph Blewitt says that he was not the source of the money recorded as coming directly from him in the Slater and Gordon Trust Account. He says that he wrote a cheque drawn on the account of the Australian Workers' Union - Workplace Reform Association and that he deposited that cheque directly into the Slater and Gordon Trust Account. He has written to Slater and Gordon to advise the firm of its error.

*Date: Mon, 1 Apr 2013 17:06:10 +0800*

*Mr Andrew Grech, Managing Director, Slater and Gordon by email*

*Dear Mr Grech,*

*Slater and Gordon acted for me in the purchase of 1/85 Kerr Street Fitzroy in February, 1993.*

*I recently asked you for a copy of the firm's file on the conveyance and the mortgage you gave me.*

*I've thoroughly perused what you sent in the conveyance and mortgage files and I see that you haven't included any copies of the Trust Account receipts for the money that I and entities associated with me paid you.*

*I did not receive any receipts at the time I paid you either.*

*I have been told that a law firm in Victoria has to make out a receipt when the firm receives money on trust.*

*Would you please send me copies of the Slater and Gordon Trust Account receipts for:*

- ***On 18 March the Australian Workers' Union Workplace Reform Association paid Slater and Gordon \$67,722.30 as funds to settle my purchase. Would you please send me the Trust Account receipt for the Association's money? I was the public office holder for the Association.***
- *On 29 April, 1993 my wife and I sent you a cheque for \$2,000 as requested to meet a shortfall in your Trust Account - would you please send me a receipt for that too please.*

Slater and Gordon has ignored Mr Blewitt's clear advice to the firm that he was not the source of the \$67,722.30, rather it was the AWU Workplace Reform Association. The firm continues to advise external parties that Mr Blewitt provided the money when he did not. Mr Blewitt has advised the firm of the true source of the money, it should be a simple matter to correct the record.

The Trust Account requirements of the time required that the Drawer of any cheque deposited to the Trust Account be recorded on the Trust Account Receipt. The Commonwealth Bank was well apprised of the requirement to report those details on its Trust Account bank statements.

Beyond Mr Blewitt's written advice to Slater and Gordon, the true source of the \$67K cheque (ie the AWU WRA Inc) has been the subject of court proceedings in the Australian Industrial Relations Court, matter 2082/96. The affidavit of (now Commissioner) Ian Cambridge sworn in September, 1996 exhibits material provided by the Commonwealth Bank of Australia which describes the AWU WRA's payment of the funds directly to Slater and Gordon.

None of that has caused Slater and Gordon to correct its continuing apparent mis-reporting. Here is its letter in reply to Mr Blewitt:

Date: Mon, 8 Apr 2013 02:52:43 +0000

*Dear Mr Blewitt.*

*I write in response to the request for Trust Account receipts associated with your conveyancing file for your purchase of a property in 1993. I am assuming for this purpose that you are no longer represented by Galbally Rolfe and I can communicate directly with you in this regard. For the avoidance of doubt, and as we have previously advised you should continue to seek independent legal advice concerning these matters.*

*Your request was to our Managing Director Mr Andrew Grech. Mr Grech is on leave and has asked me to respond on his behalf.*

*Under the rules and laws applying to Trust Account receipts they must be kept for 7 years. Nevertheless we requested our Matter Accounts group search for receipts from 1993 related to this matter. Unfortunately it appears the firm largely no longer holds trust account receipts for the early 1990's given the expiration of time. We do enclose a copy of our Trust Account ledgers which we have previously provided to your lawyers. **You will note that the ledger reflects that the transactions you have inquired about involved a Direct Deposit in your name. You are aware you deposited those funds at a Commonwealth Bank Branch in Western Australia. As previously advised to your lawyers there is no reference in your conveyance or mortgage file concerning where you sourced those funds.** The other transaction you inquire about concerned a personal cheque in the name of R E & J A Blewitt.*

*You will note that these ledgers are in fact copies of the actual ledger that was printed off for the file on 13 July 1994 prior to any controversy concerning this conveyance. I am informed that this was likely to be for the purposes of archiving the file.*

*Yours faithfully*

**James Higgins**

General Manager - Commercial and Project Litigation  
**SLATER & GORDON LAWYERS**

Here is the Trust Account Ledger

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 New LOCUS Account Ledger SLATER & GORDON Dated Wed 13 Jul 1994 Page 1  
 for BLEWIT/R Mr Ralph Blewitt printed on Wed 13 Jul 1994 at 10:02am  
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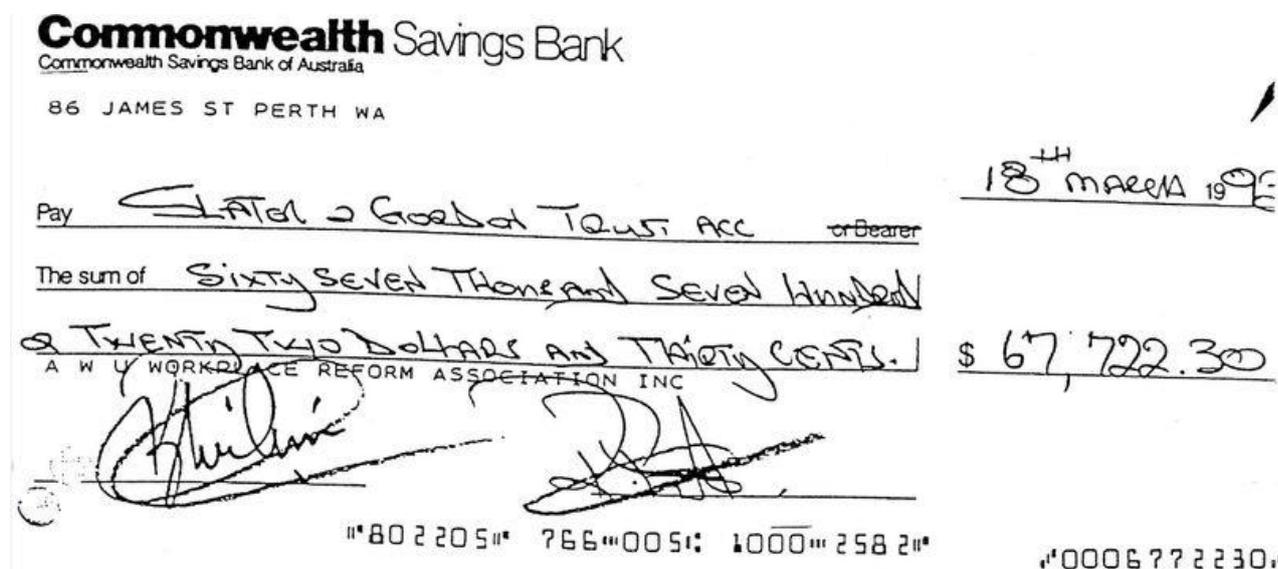
Matter List for all selected

44 Mr Ralph Blewitt Sol : NOB Contact :  
 1/85 Kerr Street Fitzroy Resp Ptr: NSB 138 Warwick Road  
 Purchase Clnt Mgr: NSB Duncairg WA 6023  
 Other Party :

Date	Reference	Description	-----Disbursements-----		Debtors	Trust	Clear Date	Trust Bal
			Anticipated	Incurred				
240293	0217677	CHQ Melbourne Water R/Cert		14.30				
240293	0217678	CHQ City of Fitzroy R/Cert		20.00				
150393	T**2684	REC RE & JA Blewitt On Account Valuation Fee	**Chq**			500.00-	220393	500.00-
220393	T**2830	REC Mr Ralph Blewitt Balance of Purchase Money	**Dep**			67,722.30-		68,222.30-
220393	T**2839	REC Slater & Gordon Trust Account Mtge Loan	**Chq**			150,000.00-	220393	218,222.30-
220393	T115076	CHQ B/C City of Fitzroy Settlement				456.27		217,766.03-
220393	T115077	CHQ B/C Westpac Banking Corporation Settlement Monies				127,547.00		90,219.03-
220393	T115078	CHQ B/C Australia Guarantee Corp Ltd Settlement				45,970.70		44,248.33-
220393	T115079	CHQ B/C HJ Onsmen & N D'Einden Settlement				33,463.83		10,784.50-
240393	T115134	CHQ Registrar of Titles R/F on D/Mortgage (2)				112.00		10,672.50-
		R/F on Transfer				611.00		10,061.50-
		R/F on Mortgage				56.00		10,005.50-
240393	T115134	CHQ Cancelled - Registrar of Titles Cancd R/F on D/Mortgage (2) Wrong Amount				112.00-		10,117.50-
		Cancd R/F on Transfer Wrong Amount				611.00-		10,728.50-
		Cancd R/F on Mortgage Wrong Amount				56.00-		10,784.50-
		** REVERSAL **						
240393	T115141	CHQ State Revenue Office S/D on Transfer				10,000.00		784.50-
		S/D on Mortgage				564.00		220.50-
190593	J*15783	JWL Transfer trust funds from 931044 to NOB 933661 to mortgage file				139.00		81.50-

Mr Blewitt has advised Slater and Gordon, in writing, that he deposited the cheque - a copy of which is reproduced below - on 18 March, 1993 to the firm's Trust Account. It was deposited directly to the Slater and Gordon account. Slater and Gordon may not have known the true source of the funds in 1993, but by the institution of proceedings in matter 2082/96 in which the firm's conveyance and mortgage files were subpoenaed by the Court, Slater and Gordon should have known and should have corrected its record. If it maintains it did not know in 1996, it must know

now and it has Blewitt's direct evidence, and the banking information exhibited to Commissioner Cambridge's affidavit to satisfy itself as to the true source of the funds.



But Slater and Gordon persists in the uncorrected report that Mr Blewitt provided the funds himself.

The apparent mis-reporting in the Slater and Gordon Trust Account has been quoted by the [Prime Minister of the Commonwealth in a press conference on 26 November, 2012.](#)

#### ***The Prime Minister, Canberra, 26 November, 2012***

*in terms of any evidence available to Slater & Gordon about the misuse of the Workplace Reform Association, well as I understand it, the only thing that's been waved around here is a cheque supposedly relating to the conveyancing file. Let's once again be very clear here about what's the truth as opposed to what is commonly reported. I was not the solicitor in charge of the conveyancing file, I was not the operator of the conveyancing file. In a file more than 400 pages long, there are 12 references to me. In a file more than 400 pages long, there is no reference to the AWU Workplace Relations Association, no reference. **And what the file shows in terms of the deposit for the property is it was a direct deposit from Blewitt.***

<http://www.pm.gov.au/press-office/transcript-press-conference-36>

A few minutes later the Prime Minister adopted the contents of her press conference in the chamber of the House of Representatives, [here is an extract of the Hansard from Question Time, 26 November, 2012.](#)

[Ms GILLARD](#) (Lalor—Prime Minister) (14:13): *I have just dealt with this precise question at a press conference which finished at around four or five minutes to two o'clock, so I refer the member for Curtin to the transcript where I dealt with this matter extensively.*

[Mrs Bronwyn Bishop](#): *Madam Speaker, I rise on a point of order. Under the standing orders the Prime Minister is required to answer during question time questions on matters that are known about by the general public. If she is not equipped to do so or has some reason for avoiding answering*

*questions in this parliament and thinks journalists are a substitute for members, she does not deserve to be Prime Minister of this country.*

*The SPEAKER: The Prime Minister has the call and has the right to be heard in silence.*

*[Ms GILLARD](#): I had one of those ultrasecret things called a press conference—one of those ultrasecret things! That is what you do, isn't it? You call a press conference in front of the full Canberra press gallery and conduct it for the best part of an hour if you do not want people to know what you have said! Gee, the member for Mackellar is onto something there! I refer the Deputy Leader of the Opposition—*

*[Ms GILLARD](#): to this question, which was put to me during the press conference by Sid Maher of the Australian. I stand by the answer I gave to Mr Maher's question.*

On 31 October, 2012, this exchange took place in our federal parliament.

## QUESTION

**Date** Wednesday, 31 October 2012  
**Page** 12808  
**Questioner** Bishop, Julie, MP  
**Speaker**

**Source** House  
**Proof** No  
**Responder** Gillard, Julia, MP  
**Question No.**

### Prime Minister

Prime Minister

**Ms JULIE BISHOP** (Curtin—Deputy Leader of the Opposition) (14:37): My question is to the Prime Minister. I remind the Prime Minister of her statement on 23 August that Ralph Blewitt personally provided the funds for the purchase of a Fitzroy property in 1993. I refer to a cheque, which I have a copy of, for over \$67,000 from the AWU Workplace Reform Association made out to the Slater and Gordon trust account used to purchase that property. As the lawyer advising on the conveyance, does the Prime Minister stand by her statement that she did not know that the money came from the union slush fund that she had assisted in establishing?

**Ms GILLARD** (Lalor—Prime Minister) (14:37): I stand by all of my statements on this matter. The Deputy Leader of the Opposition has referred to a number of documents. Let me refer her to an important quote made by the opposition leader yesterday: 'I will leave the nasty personal politics to the Labor Party. I'm going to focus every day on what matters to the Australian people.' Did the opposition leader endorse the asking of this question? My question is very relevant, given that statement yesterday.

**Ms Julie Bishop:** Madam Speaker, I rise on a point of order. I seek leave to table the cheque from the AWU Workplace Reform Association made out to the Slater and Gordon trust account from 18 March 1993.

Leave not granted.

**Ms JULIE BISHOP** (Curtin—Deputy Leader of the Opposition) (14:38): Madam Speaker, I ask a supplementary question. I refer to an affidavit, which I have a copy of, of Ian Cambridge, now at Fair Work Australia, in which he states: 'I am unable to understand how Slater and Gordon could have permitted the use of funds obviously taken from the union without obtaining proper authority from the union.' As a lawyer acting for the union and on the purchase of the property, how could the Prime Minister have been ignorant of the source of the funds?

**Ms GILLARD** (Lalor—Prime Minister) (14:39): The Deputy Leader of the Opposition in her initial question

asked me to stand by my public statements on this matter. What that should imply is that it has been canvassed and dealt with on the public record. I stand by my public statements, and I again ask: does the opposition leader endorse this strategy, given his words yesterday?

**Ms JULIE BISHOP** (Curtin—Deputy Leader of the Opposition) (14:39): Madam Speaker, I ask a further supplementary question. Given that none of the specific questions asked this week about the slush fund and the Slater and Gordon trust fund have been answered by the Prime Minister previously, how can she continue to assert that she has dealt with them before, as that is patently untrue?

**Ms GILLARD** (Lalor—Prime Minister) (14:40): How can the opposition assert that it is focusing on the nation's interests and not pursuing nasty personal politics when it goes down this track?

**Mr Laming:** You are corrupt!

The SPEAKER: The individual will withdraw.

**Mr Laming:** I withdraw.

The SPEAKER: Further, the member for Bowman will leave the chamber under 94(a) and will count himself very, very lucky. The Prime Minister will resume her seat. I call the Manager of Opposition Business.

**Mr Pyne:** The Prime Minister made an offensive remark across the chamber to the Leader of the Opposition and I, and I ask that it be withdrawn.

The SPEAKER: Will the Prime Minister withdraw for the good of the House?

**Ms Gillard:** No. I did not make an offensive remark. What I said is that this is the strategy of the Leader of the Opposition and I hope that he is proud of it, given what it has led to in the House. I have dealt with these—

The SPEAKER: Prime Minister, what I asked is if you would withdraw for the good of the House, given the nature of the debate. If you could do that so that we can progress, I would appreciate it.

**Ms Gillard:** Certainly. I withdraw. The strategy of the Leader of the Opposition is offensive. It is in contrast to

One of the fundamental precepts of our parliamentary system of government is that members do not mislead the House. The Prime Minister is quoting here the Slater and Gordon Trust Account Ledger and it is wrong.

It is a simple matter for Slater and Gordon to correct the record. The Australian people deserve nothing less.

Perhaps the Board might be so good as to seek an explanation from Slater and Gordon as to any cause for it not to correct the record.

Yours sincerely,

(By electronic transmission)

Michael Smith FAIM

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