

## **Jon Faine's interview with Michael Smith and Mark Baker 23 Nov 2012**

**Jon Faine:** Good morning, it's Monday the 23<sup>rd</sup> ...

And shortly, this morning... we'll see if we can shed any new light on the allegations that continue to swirl around about Julia Gillard's conduct when a lawyer, when she was a lawyer at Slater and Gordon 18 years ago looking after her boyfriend and his interests as a industrial relations practitioner whilst he was trying to set up a splinter group within the AWU.

Michael Smith is a former 2UE radio presenter. I think yesterday I described him, and quite accurately, as a shock jock. He is the man who is driving the ongoing, endlessly swirling innuendo surrounding Julia Gillard's conduct. Yesterday, Leigh Sales interviewed Nick Styant-Browne who was, along with Peter Gordon, one of the key players at Slaters who either pushed or accepted Julia Gillard's resignation when she left the firm over all of this.

Michael Smith is very much in the driver's seat around this ongoing controversy. He's lost his job over it, and, after the news headlines, he joins me, on an ABC radio station and we'll put his allegations to the test.

So far, as I said yesterday, I can't see what the fuss is about. I can't see where the allegations actually are. I can see all sorts of questions that Julia Gillard says she's answered and I can see why people might be jumping to conclusions but I cannot see where there is a legitimate point of public interest or ongoing police investigation. Either way, I don't get it. Maybe Michael Smith can explain it to us. He joins me after the news headlines.

*You're listening to Jon Faine on 774 ABC Melbourne and on digital.*

Well, you're between a rock and a hard place, aren't you? There's a story swirling around that refuses to go away. If we talk about it, we're giving it oxygen and if we don't talk about it, we're accused of being engaged in a cover up. Yesterday, I had quite a lot to say about the ongoing supposed revelations of a man called Ralph Blewitt, a discredited former fraudster who is prepared he says, now to tell the truth to whichever police force, as of today West Australian and Victorian, want to interview him about events at the very centre of an issue that, according to the true believers, threatens Julia Gillard's tenure as Prime Minister of Australia.

Yesterday we had a lot to say about it and we'll have a little more to say today because Michael Smith, who is driving much of this innuendo and investigation, a former host at 2UE commercial radio in Sydney, called in as we were winding up our discussions yesterday on the television segment with Debbie (?) and heading off towards the cricket commentary. Michael Smith called in too late to go to air in any meaningful way and rather than waste the chance to thrash these issues out properly, we've invited him to join us afresh this morning so we can see whether or not there really is any substance to it. Last night on 7.30, Leigh Sales interviewed Nick Styant-Browne who along with Peter Gordon was one of the partners who conducted the exit interview with Julia Gillard from Slater and Gordon.

Breathless headlines today suggest that there's another piece in the jigsaw puzzle but from my watching of Nick Styant-Browne and my reading of the transcript, the extra piece in the jigsaw puzzle seems to amount to the fact that a letter was sent to Slater and Gordon as part of a conveyance, addressed to Julia Gillard, which she claims she didn't have personal knowledge of.

Well, having handled a grand total of three conveyances in my seven year legal career, I can assure you, you haven't got a clue what's going on with most of the conveyances that you're supervising. It's mostly handled by paralegals and for an individual lawyer to not know about a letter from a bank on a conveyancing file, and for that eighteen years later to be dredged out as significant, is little short of comical. But if others want to make something of it, let's put it to the test.

Shortly, Mark Baker, who has been writing the stories for The Age over this will join me but first up Michael Smith who is working with Ralph Blewitt and former industrial lawyer Harry Nowicki to dredge up all this old news.

Michael Smith, good morning and welcome...

**Michael Smith:** Giddy Jon. Thank you very much...

**Jon Faine:** ...to ABC radio station.

**Michael Smith:** ...It's lovely of you to have me on your show.

**Jon Faine:** Well I'm not sure really, just yet, but let's see. First of all, do you think there are unanswered questions still, in this whole saga?

**Michael Smith:** Yeah, absolutely.

**Jon Faine:** What are they?

**Michael Smith:** First up, the prime minister in her role as a lawyer filled out an application form to the Western Australian Corporate Affairs Commissioner that told a lie about itself.

**Jon Faine:** A lawyer filling out a form for a client on instructions that contained a lie.

**Michael Smith:** It was deceptive and misleading. It passed itself off, this ah, form about the association, as being an arm of the Australian Workers Union. It used the name Australian Workers Union in the title of the association that it sought to incorporate.

**Jon Faine:** In the same way that heat's been put onto Julie Bishop over her conduct in asbestos litigation. It's, lawyers do things for clients on instructions all the time, Michael.

**Michael Smith:** Yeah, but the client was the Australian Workers Union and her undisclosed sexual relationship with Bruce Wilson was the ...

**Jon Faine:** Undisclosed to whom?

**Michael Smith:** ...vehicle I suppose.

**Michael Smith:** To her partners, in the law firm.

**Jon Faine:** There are some partners who knew of it and there are others who didn't. She worked in a different building to Styant-Browne and Peter Gordon. She worked in a building with Bernie Murphy and...

**Michael Smith:** But disclosing it would only share...

**Jon Faine:** ...everyone there knew about it, it was no secret.

**Michael Smith:** ...disclosing it would only share the responsibility amongst the partners. It's improper to have a relationship of that character while you're working for a client that's paying the bills...

**Jon Faine:** Who says it's improper?

**Michael Smith:** ...the AWU.

**Jon Faine:** Where's the rule that says you have to disclose who your boyfriend is when you're a lawyer?

**Michael Smith:** Ah, the Law Institute...

**Jon Faine:** No it doesn't.

**Michael Smith:** ...has a view about that,...

**Jon Faine:** There's no...

**Michael Smith:** ...about ethical conduct.

**Jon Faine:** ...there's no rule saying you have to tell your employers who your boyfriend is.

**Michael Smith:** Well let's look at...

**Jon Faine:** That, that's rubbish.

**Michael Smith:** ...well, when it's your client.

**Jon Faine:** That's rubbish.

**Michael Smith:** Let's look at what happened then Jon as a result of...

**Jon Faine:** Let's move on. What else are you worried about.

**Michael Smith:** Well, the association was deceptively incorporated, and as a result of the incorporation and the use of the word AWU in its title, about \$540,000 went missing from Thiess contractors, that was paid into that. Now, where, let's look at where that money went, where it ah, exited the account associated with that association. Ah, Bruce Wilson moved to Melbourne. He got a ah living away from home allowance, about \$90 a day, he looked at all the money in the bank account, and he said to his offsider Blewitt, "Ralph, I'm going to buy a house in Melbourne, but I want to keep getting the living away from home allowance".

**Jon Faine:** Okay, now this. I don't know how much time you THINK we're going to spend on this but it may not be as much...

**Michael Smith:** All right...

**Jon Faine:** ...as you'd like.

**Michael Smith:** Well let's talk about buying the house.

**Jon Faine:** Can we, can we keep the discussion...

**Michael Smith:** Sure.

**Jon Faine:** ...to Julia Gillard's alleged involvement in something that you say...

**Michael Smith:** Okay.

**Jon Faine:** ...on your blog and elsewhere you've said, should cost her her job.

**Michael Smith:** Potentially her liberty, Jon. Ah, the Power of Attorney that was produced to, ah, to suggest to the real estate agent and to the mortgage arm of Slater and Gordon that, ah, Bruce Wilson was acting in Blewitt's name, was dated 4 February. The first time it was ever sighted by somebody other than Ms Gillard was on 22 February, and it's the evidence of Ralph Blewitt that he will put to police in a sworn fashion, in other words, he will expose himself to the penalties of perjury today, that he saw that document in the week of the 15<sup>th</sup> to the 19<sup>th</sup> of February and that it was Bruce Wilson who handed it to him and said "Listen mate, this is the thing that's going to put it in your name. Can you sign here please?" Now, that Power of Attorney is a very important legal instrument and it purports to have been witnessed by Julia by, Julia Gillard on the 4<sup>th</sup> of February. Ah, it's Blewitt's evidence that she never saw him sign it, was never in the room, and didn't take any instructions from him.

**Jon Faine:** So you're now making a fresh claim. You're mak..., which has never been, to my knowledge, tested before, you're making a claim that Julia Gillard falsely witnessed a stat dec?

**Michael Smith:** A Power of Attorney.

**Jon Faine:** Or a Power of Attorney.

**Michael Smith:** Well indeed, she, she set it up as a deed. Signed, sealed and delivered, witnessed by me this 4<sup>th</sup> day of February um, and so it's a deed, it, it's a Power of Attorney.

**Jon Faine:** Are you saying it was post dated or are you saying...?

**Michael Smith:** Backdated.

**Jon Faine:** You're saying it was dated, so you're saying it was signed and then dated back before it was actually signed.

**Michael Smith:** Section 83A of the Crimes Act in Victoria...

**Jon Faine:** Yeah, yeah, whatever, but your allegation is, you're saying that she falsified a document.

**Michael Smith:** That, that's the allegation I'm putting, yes.

**Jon Faine:** Based on what evidence, other than Mr Blewitt, who is a self confessed fraudster?

**Michael Smith:** Well, the circumstances of its creation. If it was as it purports to be created...

**Jon Faine:** Based on what evidence other than the evidence of a self confessed fraudster?

**Michael Smith:** I, I'll put that to you Jon. Ah, based on the circumstances of its creation, it purports to have been made or created by her firm on the 4<sup>th</sup> of February. If that were so, you would expect there to be a file in relation to the instructions she took about it....

**Jon Faine:** Not necessarily, and we've dealt with that extensively...

**Michael Smith:** ...and you would have expected it to have been...

**Jon Faine:** ... in the past.

**Michael Smith:** ...produced prior to the 22<sup>nd</sup> of Feb.

**Jon Faine:** Why?

**Michael Smith:** It would have had to have had certified copies made because if it was...

**Jon Faine:** Why?

**Michael Smith:** If you're going to go to an auction, and to use an instrument like that to acquire a property in somebody else's name, the real estate agent has a reasonable expectation to be furnished with a certified copy...

**Jon Faine:** Not necessarily. It could turn up with the original. Has that occurred to you?

**Michael Smith:** Well, I, I, I look at it this way, and they didn't turn up with the original. It wasn't produced on the day of the auction. I look at it this way, Jon. The natural enemy of the large law firm is the real estate agent, and it must have been galling for Slater and Gordon to phone the real estate agent and say "Um, do you...

**Jon Faine:** Is this the best you've got Michael?

**Michael Smith:** ...have a copy of the Power of Attorney?

**Jon Faine:** ... Because if it's...

**Michael Smith:** ...No, no...

**Jon Faine:** ... it's conjecture and supposition...

**Michael Smith:** No, it's not that, no no no...

**Jon Faine:** ...that's not evidence.

**Michael Smith:** No, it's not that, there's more, there's more.

**Jon Faine:** Well, again, can you get to the point?

**Michael Smith:** For four years...

**Jon Faine:** You'd better give us your...

**Michael Smith:** Yeah sure.

**Jon Faine:** ... best shot because we're not spending hours on this.

**Michael Smith:** Ha ha, okay, um, at the point where Julia Gillard disclosed to her partners that she was aware of the malfeasance that Wilson had been up to in relation to the AWU...

**Jon Faine:** Yeah, her boyfriend, her boyfriend was a crook, yep.

**Michael Smith:** Yeah, on the 11<sup>th</sup> of September 1995, I think she had an obligation to report that matter to the authorities, to the police and to her...

**Jon Faine:** That's been well and truly aired and ventilated as she has dealt with that herself in her extensive press conference. What's your best shot Michael...

**Michael Smith:** Sure.

**Jon Faine:** ...because we're moving on in a moment and...

**Michael Smith:** Sure.

**Jon Faine:** ...I'm giving you a last chance, because this either has to go away or it's got to stand up and so far it's a house of cards, so...

**Michael Smith:** Don't you think it's important...

**Jon Faine:** ...what's your best shot?

**Michael Smith:** ...Don't you think it's important that the man who purports to have grant or donated that Power of Attorney says she didn't witness it when she said she did, and it was used to lumber him with \$150,000 mortgage?

**Jon Faine:** Is that your best shot?

**Michael Smith:** I think the most important point out of all of it is that she knew she disclosed to her partners what Wilson was up to on the 11<sup>th</sup> of September 1995. The union, her client, didn't find out about that until eight months...

**Jon Faine:** So is...

**Michael Smith:** ... later.

**Jon Faine:** ... your best shot that she didn't tell some of the partners in the law firm what she was doing for her boyfriend. Is that your...

**Michael Smith:** No Jon...

**Jon Faine:** ...best shot?

**Michael Smith:** ...I think it's a course of conduct. You have to look at the conduct over the...

**Jon Faine:** Okay

**Michael Smith:** ...four years of the relationship.

**Jon Faine:** Is there anything else, because this... is... becoming... absurd in my view, Michael? This is becoming...

**Michael Smith:** I think so.

**Jon Faine:** ...absurd and if it becomes front page news and an issue that the Prime Minister is expected to respond to, that she... didn't... remember... a letter from a bank on a conveyancing file when she was employed...

**Michael Smith:** But that's not the issue, Jon, the issue is...

**Jon Faine:** ...as an industrial lawyer...

**Michael Smith:** ...she was asked "Julia Gillard"...

**Jon Faine:** ...That's laughable, Michael.

**Michael Smith:** "Did you, did you know Julia Gillard, that our firm granted a mortgage that was used to launder money, to launder tainted money. Did you know that, Julia Gillard?" And she said "No, I didn't know" and the evidence of that letter from the Commonwealth Bank is only one part of a chain of evidence that suggests Julia Gillard, you did know, in fact you were instrumental in setting that mortgage up that was used to launder tainted money.

**Jon Faine:** All right.

**Michael Smith:** That's a very serious offence.

**Jon Faine:** And that's and that's where, I mean, at what point then, at what point does this either do your concerns get satisfied and then you stop, or do you just keep on throwing stuff around wondering if...

**Michael Smith:** ... Oh Jon...

**Jon Faine:** ...somewhere along the way it starts to tarnish the reputation of the Prime Minister?

**Michael Smith:** You've used a few, you know, charged words like innuendo and swirling around and stuff. I'm not in the innuendo business. I'm in the documentary analysis business, ah making of statements that are sworn, that expose the, ah, person making those statements...

**Jon Faine:** So far you've...

**Michael Smith:** ....to the penalties of perjury.

**Jon Faine:** .... been in the leaping to conclusions business quite frankly Michael.

**Michael Smith:** No, no, no, they're allegations, Jon, that she can answer. If the Prime Minister would care to say where she was on the 4<sup>th</sup> of February 1993 and the circumstances in which she purports to have witnessed that Power of Attorney. That'd be a good start. Or, why it was that she disclosed to her partners what she knew about Wilson's activities on the 11<sup>th</sup> of September '95 but not to the union, or to authorities.

**Jon Faine:** All right, well we've given it an extensive airing, and one that many of our listeners in fact, clearly aren't interested in, but there you go. Michael, thank you. It's been interesting and we'll see where it goes to during the course perhaps of today, or maybe in Parliament next week. That's Michael Smith, who used to work at 2UE and lost his job pretty much over this story.

Mark Baker is the editor-at-large at The Age newspaper. Mark has been to Seattle and he interviewed Nick Styant-Browne, the former partner at Slater and Gordon, who together with Peter Gordon conducted the exit interview that became and transcribed so much a part of this story.

Yesterday, I mentioned Mark in my discussion on air and he wants a right of reply today and I'm more than happy as always to give it to him.

Morning to you, Mark.

**Mark Baker:** Morning Jon.

**Jon Faine:** Where is this up to today? You've ah, again written in the paper about Nick Styant-Browne's interview with Leigh Sales last night.

**Mark Baker:** Yes, I have, um, well, that's a, that's a fresh development, that's an interesting development.

**Jon Faine:** Why is it interesting that she doesn't recall and had no knowledge of a letter from a bank on a conveyancing file when her job was to be an industrial lawyer and the conveyancing was being done by a paralegal?

**Mark Baker:** Ah, well, well, it is interesting because the letter from the bank, um, and she, she was the one who banked with the Commonwealth Bank of Australia. The letter was addressed to her and it said in reply to your request, so, the, the letter makes, makes it plainly clear that she, she was involved in, in getting that assurance, that ah certificate of currency for the insurance which was a requirement of Slater and Gordon...

**Jon Faine:** Mark it does...

**Mark Baker:** ...before it issued the \$150,000 mortgage.

**Jon Faine:** ...it does no such thing. Letters are written. Have you ever seen a conveyancing file?

**Mark Baker:** Yeah, I've seen this one.

**Jon Faine:** Or seen how they unfold?

**Mark Baker:** I've seen plenty. Yes, I have, indeed.

**Jon Faine:** They. Letters are sent to you in your name even though you may never even physically see them, let alone process them, let alone turn your mind to them and answer them. They're form letters from banks and mortgage providers that law firms process by their thousands every day.

**Mark Baker:** Yes well, ah, there are, ah, plenty of other references in the conveyancing file which point to Ms Gillard's involvement, and I, I think that the question or the issues around ah, the purchase of the Fitzroy property can't be seen in isolation of a few documents in the file. You'd have

to see it in a context that the Fitzroy house was, was, was bought, in the name of Ralph Blewitt, ah, with a Power of Attorney that, ah, Ms Gillard provided to Bruce Wilson, her then boyfriend. Ah, she is on the public record as saying that she helped find the property. She went looking for a house. She went to the mortgage with Bruce Wilson. Ah, she was involved ah, intimately at that level and later on....

**Jon Faine:** None of that, none of that's against the law.

**Mark Baker:** ...she stayed, she stayed. Sorry, no, no, I'm not saying it's against the law. I'm not saying...

**Jon Faine:** So what's the point...

**Mark Baker:** ... anything in relation to illegality.

**Jon Faine:** ... of all of this?

**Mark Baker:** Well, she's, she's, she's, she's repeatedly saying, she basically she knows nothing about ah, the ins and outs of this...

**Jon Faine:** Then why don't we accept...

**Mark Baker:** ... transgression.

**Jon Faine:** ... that?

**Mark Baker:** She, she, she set it up, it was her her, her boyfriend (inaudible).

**Jon Faine:** It was her boyfriend, she was a lawyer, she said yeah, the firm...

**Mark Baker:** Yeah well, that's that's yeah okay...

**Jon Faine:** ...can help you here.

**Mark Baker:** ...I'm not saying it equals illegality, but for her to say...

**Jon Faine:** Why is it with...

**Mark Baker:** ... "I can't remember anything, I don't know anything about this" is, it rather tests credulity doesn't it?

**Jon Faine:** Well, no it, I don't think it does, and I don't understand, here, there, there are... so... many... tiny... little almost inconsequential things being turned into something that's supposedly big, but I'm sorry. I might be as thick as two bricks or it might be, I, something else is going on. I just don't understand why so many people are still writing about it when there is nothing...

**Mark Baker:** I think people are still writing about it...

**Jon Faine:** ... of substance to support it.

**Mark Baker:** An increasing number of people are writing about it, and reporting, including your colleagues, Leigh Sales, Tony Jones, everyone is on the, on the case now, because, there are questions that haven't been answered..

**Jon Faine:** What Leigh Sales did yesterday...

**Mark Baker:** ...and they're legitimate, they're legitimate sorts of questions.

**Jon Faine:** ...was try and draw, as I'm trying to do today to draw out of all of this, where is there anything of substance? Where is it?

**Mark Baker:** Well, there's a whole range of questions. I mean, I'm, I'm not endorsing the particular allegations that Michael Smith has just made, ah, that's for him to do that, and he's, he's studied the documents in great detail, but, you know, there are questions, there are a range of questions ah, across the board that won't go away now and you know that, that, that ...

**Jon Faine:** Well, they won't go away because people...

**Mark Baker:** ...the prime minister would wish them away but it's also, I'd also say Jon, it, it's legitimate journalism. It's the role of journalism. It's the role of the media, of which you're a part, to question. Now, not to...

**Jon Faine:** Well I do that. I'm doing that to you now...

**Mark Baker:** ... make us sound the allegations.

**Jon Faine:** ... because I don't get it. I don't see where the story is.

**Mark Baker:** Well I'm sorry, it's not my responsibility to make you get it Jon, but plenty of other journalists are interested. Plenty of other journalists are involved. They're doing serious digging on this. Ah, they're not making unfounded allegations. They are raising questions that, about inconsistencies, contradictions, unanswered questions in relation to the Prime Ministers' account of these events years ago. Now it's a long time ago, yes I accept that, but uh, as it's been pointed out ah, she, she says, we, we, shouldn't deal with this because it's a long time ago. Well, she just set up a royal commission into events, uh, around child abuse....

**Jon Faine:** No, she's never, she's never said...

**Mark Baker:** ...which go way back. Well, well, well beyond that.

**Jon Faine:** Stop. She's never said we shouldn't deal with this because it's a long time ago.

**Mark Baker:** Oh hang on, no, no, no. She's repeatedly said "Look, this is ancient, this is old matters. Why do you...

**Jon Faine:** ...she said...

**Mark Baker:** ... "why do you people keep dredging it up?"

**Jon Faine:** ...she said "put up or", she said "If you've got an allegation, you put it to me" and I'm asking the same question. What actually is it that she's alleged to have done that warrants all of this cos I... can't... see it.

**Mark Baker:** Well...

**Jon Faine:** There's absolutely...

**Mark Baker:** The question, the question, again the questions.

**Jon Faine:** ... plausible, innocent explanations for everything you guys say is suspicious.

**Mark Baker:** Right. Well look. Just to make the record clear, I'm not leading the charge, a charge against the Prime Minister here. I'm involved in reporting a story that other journalists are involved in. Ah, I, I believe there are questions. I'm, I'm convinced there are questions that remain to be resolved and, and, and, and, fresh information, maybe it is incremental, comes, comes along we need to look at it, consider it and we. You know because we're talking here about the Prime Minister, the leader of this country, and is her account of what happened in events and, and her association innocently, as she dedares, around these events in the early 90's. It, it, it doesn't stack up.

**Jon Faine:** All right, well, we will see what happens, maybe even in the Parliament next week. We're going to leave it there. Mark Baker, editor-in-large at the Age, who has been writing the stories based on his interview in Seattle with Nick Styant-Browne.

Seven minutes to nine. Jon Faine with you on 774 ABC Melbourne...