

AEC comes under fire over selection of party donors facing review
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By Richard Willingham

THE country's electoral commission has been grilled by Liberal MPs on why it has reviewed the donations of only one Labor-affiliated union since 2007.

Of 250 corporations, individuals and other donors audited by the Australian Electoral Commission in the past five years, the besieged Health Services Union is the only trade union investigated by the regulator.

During a testy parliamentary hearing yesterday, Liberals Bronwyn Bishop and Senator Scott Ryan asked fierce questions about why unions were not targeted, given the huge donations they made to Labor.

"[Do you think] it looks slightly odd that to people with an interest in compliance that there is not a single trade union on this list? They are the largest funders, they're larger than most corporate donors," Senator Ryan said.

"Most of these associated entities here would contribute zeros less than a single large trade union. Don't you think this is a flaw in your judgment that you have exercised in what associated entities you are auditing?"

The AEC commissioner Ed Killesteyn said that when laws were changed in 2006 relating to which groups are associated entities it increased the AEC's workload from 75 groups to well over 200. "The AEC was not given any additional resources at that time. Since then, and indeed before then, we apply a risk assessment process in relation to those organisations that are subject to compliance audit," he said.

"In the case of unions, the main monitoring body, if you like, of registered organisations is Fair Work Australia."

Mr Killesteyn said focus was placed on organisations that had financial activities outside of member contributions, whereas unions' funds came from member donations. He also said many associated entities' dealings were often "dragged" into political parties' audits.

Ms Bishop told the *Herald* after the hearing Mr Killesteyn's answers were "pathetic". "It's not a question of conspiracy, it's a question of incompetence," she said. Asked if more funding should be provided to the AEC, Ms Bishop said she would not grant the commission "another inch of power".

Earlier in the day, Fair Work Australia investigator Terry Nassios defended his report into the misuse of HSU funds, denying allegations made by the federal MP and former HSU national secretary Craig Thomson that Mr Nassios was "not forensic" and was biased in his inquiry. He also stood by his findings that Mr Thomson "provided false and misleading information".

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