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Conroy staffer takes job with telco

Holly Byrnes
 Media Writer

A FORMER senior media adviser to the Minister for Communications and Broadband took a senior job with a major telco within days of it being granted involvement in a \$250 million Government tender to fix "black spots" in regional Australia.

Senior ministerial staff are banned from taking a job that would involve lobbying their former department under a code of conduct implemented by the Prime Minister.

Senator Stephen Conroy yesterday defended his ex-press secretary Tim Marshall, who left his office on January 22 to take up a corporate role with international telco Alcatel-Lucent, partnering on a new National Broadband

Network project.

Mr Marshall and his new employer deny any wrongdoing.

The scandal comes as Senator Conroy was also forced to admit his meeting with Seven Network boss Kerry Stokes on the Colorado ski slopes, one month before massive cuts to TV licence fees, was planned.

Finance Minister Lindsay Tanner had earlier claimed the senator "just happened to be in the same place" as Mr Stokes but Senator Conroy contradicted him yesterday to confirm the "catch-up" was organised ahead of their separate visits.

"I knew that Mr Stokes was in Colorado and I was going to be in Colorado and we organised to

catch up. It's as exciting as that."

The minister has faced criticism over the decision to slash free-to-air licensing fees by \$250 million over the next two years.

Mr Marshall, who denies a conflict, joined the French technology giant on February 1, a week after the company announced it would provide optic cabling to Nextgen Networks, which won a tender to improve broadband and mobile services in major regional centres.

In a January 21 press release trumpeting the deal, company

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Conroy staffer takes a new job with telco

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managing director Andrew Butterworth said "we have the technology ready and all the right people in place to get started straight away on this deployment, a great step forward for the Government's wider NBN vision".

It follows the Government's appointment last July of former Alcatel president and chief operating officer Mike Quigley as the NBN's executive chairman.

Under the Rudd Government's own code of conduct, staff employed in adviser level roles and above in the offices of ministers or parliamentary secretaries are prohibited, for a

year after leaving, from engaging in "lobbying activities" relating to their portfolio's "official dealings with in their last 12 months of employment." A spokesperson for Senator Conroy denied a conflict, as did Alcatel. Mr Marshall, who is Alcatel's new communications and marketing manager, denied his new job was a conflict and said it was "just a career move".

"I took advice on that before I moved back into the private sector and I am of the understanding it wasn't a problem."



Mr Conroy



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MP's ex-aide escapes lobbying ban

No breach of rules, says minister

By **ADELE FERGUSON**
and **ERIC JOHNSTON**

FEDERAL government promises to clean up political lobbying have been tested after a former senior ministerial staffer exploited a loophole in a code of conduct.

Tim Murphy, a former senior adviser to the Minister for Innovation, Industry, Science and Research, Kim Carr, joined global pharmaceutical company GlaxoSmithKline as government relations executive within days of leaving the government payroll.

The move by Mr Murphy, who had one of the highest government security clearances, including access to confidential cabinet documents, is the latest in a series of high-profile government hirings by the powerful pharmaceutical sector aimed at influencing government policy.

Under rules introduced by the government in mid-2008, former senior staffers face a 12-month ban on lobbying in a related industry after they cease working with government.

It is understood many ministerial staffers have been incensed that a senior adviser with knowledge of the sensitive

health policy has been able to flout the lobbying rules, get a huge pay packet and use his connections in government to advance the interests of the world's second biggest pharmaceutical company.

Mr Murphy was unavailable for comment yesterday but within hours of the *The Age* contacting GSK, Senator Carr's office contacted the newspaper with a statement saying that Mr Murphy was not in breach of the lobbying code of conduct given that he was not working for an "external lobby firm".

"The lobbying code of conduct applies only to organisations that engage in lobbying activities on behalf of third-party clients," said Senator Carr's spokeswoman, Fiona Scott.

"It does not apply to GSK or any other Australian business that deals directly with the government on its own behalf."

Ms Scott said the code did not require Mr Murphy to observe a quarantine period before taking up his position in government relations with GSK.

But opposition government affairs spokesman Michael

Ronaldson accused the government of selective interpretation of the code.

A GSK spokeswoman said the firm did not believe the employment of Mr Murphy contravened the code of conduct.

The Age this month revealed shortcomings in rules aimed at introducing a more transparent system for dealings with senior ministers, which has led to businesses using their own teams to spearhead lobbying efforts.

Senior politicians have expressed concern over the lack of oversight of dealings with former government staffers and MPs, particularly in the health field.

Government decisions relating to health can translate into to hundreds of millions of dollars in revenue for drug manufacturers and distributors, particularly if a drug wins approval for subsidies under the Pharmaceutical Benefits Scheme.

Mr Murphy quit Senator Carr's office on November 3 to join GSK a week later.

BUSINESSDAY

► Making sure the pills go down



Labor ramps up scrutiny of lobbyists

- Plan to extend code of conduct
- Lawyers, accountants targeted

Marcus Priest

The federal government will review its lobbyists register and code of conduct, and will consider tightening the ban on former ministers lobbying government and extending the register to in-house government relations practitioners and law and accountancy firms.

The move follows not only allegations of inappropriate lobbying by former politicians in Queensland and Western Australia but also a push by private lobbyist firms to ex-

tend the reach of the commonwealth register.

The federal government may also consider the option of banning lobbyist success fees following a similar move by the Queensland government last year.

Special Minister of State Joe Ludwig will write to Canberra lobbyists proposing a meeting later this month to discuss the operation of the register and code of conduct established by the Rudd government soon after

coming to power, and consider possible changes.

"There is room to further improve the Lobbyist Code of Conduct and online lobbyists register," Senator Ludwig told *The Australian Financial Review*.

The register requires all lobby firms to disclose the names and positions of all persons employed or contracted, and the names of all clients.

The code prevents former minis-

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Labor ramps up scrutiny of lobbyists

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ters and ministerial staffers from being involved in lobbying in relation to any matter with which they had official dealings for a period after they leave government.

Senator Ludwig said possible changes could be made to the code and the register to help improve the professionalism of the lobbying industry.

Hawker Britton managing director Bruce Hawker said he believed there should be a requirement on all lobbyists, along with ministerial staff and senior public staff, to undertake training on professional standards each year.

"It is all part of bringing government relations in to the mainstream," Mr Hawker said.

"There also should be a greater em-

phasis on pro bono work."

But lobby firms contacted by the *AFR* denied that there had been any cases at a federal level of lobbyists acting inappropriately. Instead, they claimed the introduction of the lobbyists register had introduced more transparency in dealings with government.

"The problems in states have involved developers and local governments," one senior Canberra lobbyist said.

"That's where some of the tacky and tawdry stuff has happened."

Under the Commonwealth Code of Conduct, lobby firms are required to register themselves, their staff and their clients, and update these details three times a year.

A lobbyist may be removed from the register if they contravene the

code. There are 295 firms now listed on the register.

Under the code, ministers and their staff are prevented from engaging in lobbying relating to any matter which they had official dealings with for 12 months after leaving government.

The move by Senator Ludwig follows a similar review by the Queensland government last year of its register and code following allegations of inappropriate lobbying of state ministers by former members of parliament.

As a result of the review, the Queensland government announced it would enshrine its code and oversight of lobbyists by the integrity commissioner. Lobbying requirements will also be expanded to include lobbying in relation to govern-



ment-owned corporations and local governments. In Western Australia, the activities of certain lobbyists were a source of embarrassment to the previous Labor state government.

Former premier turned lobbyist Brian Burke was again in the spotlight last week when he faced a Perth court in relation to charges that he gave false evidence to the Corruption and Crime Commission.

In relation to the federal lobbyists, Senator Ludwig said that after 18 months of operation of the code and the register it was important to take stock of the effectiveness of the code and to look at ways to continuously improve standards. But he said he did not want to pre-empt anything that could come out of the industry round table.

"Lobbying is a legitimate part of the democratic process but there is a public expectation that lobbying activities will be carried out ethically and transparently," he said.

"The lobbyist register allows min-

isters and their staff to know who is engaged in lobbying and whose interests are being promoted.

"This information is fundamental to the integrity of government decisions."

"We indicated early on that we would keep it [the register and the code] under review. We do need to go out and consult with industry."

Any move to extend the code of conduct and register to in-house lobbyists and accountants is likely to be resisted by those sectors.

One chief executive of a large Australian law firm conceded that while there was some cross-over between the activities of lobbyists and lawyers, they had different roles.

"We do talk to ministers and government departments about client-related matters but at a different level," the chief executive said.

"A lot of the time we will be talking about technical matters on things like competition and tax which government requires advice on

to properly formulate policy and legislation.

"We also already have ethical standards and are subject to regulatory supervision, and a new set of requirements will inevitably have an effect on our ability to talk to government."

But Mr Hawker said if there was to be true transparency in lobbying it had to be extended to all people and groups that dealt with government.

"For so long around the country we have been getting a misleading impression of who is lobbying who and for whom, and that is because a lot of lobbyists are not on the register," he said.

"I can't see for the life of me why in-house lobbyists should not be covered in the same way as third-party lobbyists.

"It discriminates against people who can't afford to pay an in-house lobbyist ... it should be a level playing field."

Who's who

Clients of major federal government lobbyists





Albanese defends lobbyist's appointment

The Transport Minister says Warren Mundy has followed strict Airservices rules

STEVE CREEDY
 AVIATION WRITER

TRANSPORT Minister Anthony Albanese has defended the appointment of an airport lobbyist to the board of Airservices Australia and rejected claims of any conflicts.

Airservices deputy chairman Warren Mundy, who was appointed to the board by the Rudd government in 2008, is the principal of a firm, Bluestone Consulting, registered as lobbyist for the owners of Perth, Launceston and Melbourne airports.

While there is no suggestion of impropriety on Dr Mundy's part, questions about a potential conflict between his role as an airport lobbyist and his position on Airservices were again thrown into the spotlight last week with an announcement by Airservices of improvements worth more than \$40 million at Melbourne Airport.

The improvements included a new instrument landing system capable of landing aircraft in fog, as well as new ground radar system and a new control tower to replace an existing, ageing structure suf-

fering from concrete cancer.

They are part of a wider national program that will see the ground radar introduced at other airports and new control towers also built in Adelaide and Rockhampton.

Both Mr Albanese and Airservices chief executive Greg Russell said Dr Mundy followed the strict guidelines set down for Airservices director, which included excluding himself from discussions or votes on subjects in which he has material interest.

Mr Albanese said Dr Mundy had declared all potential conflicts of interest and the government had complete confidence in his skills and ability to properly serve Airservices.

"Airservices have strict rules about how those potential conflicts must be handled and Mr Mundy complies with those rules," he said.

Mr Russell said the Airservices board had in place robust governance processes to deal with actual or perceived conflict of interest.

"Airservices considers that Dr Mundy has fully complied with his obligations and acted appropriately at all times," he said.

Dr Mundy said yesterday that the decisions on upgrading Melbourne were made before he joined the board and that he may have even been overseas at the time.

He also rejected suggestions by the federal opposition that links to Finance Minister Lindsay Tanner

more than a decade ago played a part in his appointment.

Dr Mundy worked as a chief of staff for Mr Tanner up to June 1999, but has since worked as head of strategy and planning at Melbourne Airport and held a similar position at Europe's Infratil Airports.

In addition to his position at Airservices, he is also an associate commissioner with the Productivity Commission and part of the committee set up to find a site for a second Sydney airport.

There are no rules preventing lobbyists or consultants joining government boards.

Asked about his lobbyist role and a Senate inquiry into Airservices' handling of noise at Perth, Dr Mundy said he had written to the chief executives of Melbourne and Perth airports after becoming aware of the inquiry telling them that he was unable to advise them on the matter.

"I put my own commercial interests behind my interests as a director of Airservices Australia because I felt that's where it primarily lay," he said.

'Airservices have strict rules about how those potential conflicts must be handled'

ANTHONY ALBANESE
 FEDERAL TRANSPORT MINISTER



Airservices has announced improvements worth more than \$40m at Melbourne Airport

STANDARDS OF MINISTERIAL ETHICS

(All references to Ministers should be read as including Parliamentary Secretaries)

1. Principles

- 1.1. The ethical standards required of Ministers in Australia's system of government reflect the fact that, as holders of public office, Ministers are entrusted with considerable privilege and wide discretionary power.
- 1.2. In recognition that public office is a public trust, therefore, the people of Australia are entitled to expect that, as a matter of principle, Ministers will act with due regard for integrity, fairness, accountability, responsibility, and the public interest, as required by these Standards.
- 1.3. In particular, in carrying out their duties:
 - (i) Ministers must ensure that they act with integrity – that is, through the lawful and disinterested exercise of the statutory and other powers available to their office, appropriate use of the resources available to their office for public purposes, in a manner which is appropriate to the responsibilities of the Minister.
 - (ii) Ministers must observe fairness in making official decisions – that is, to act honestly and reasonably, with consultation as appropriate to the matter at issue, taking proper account of the merits of the matter, and giving due consideration to the rights and interests of the persons involved, and the interests of Australia.
 - (iii) Ministers must accept accountability for the exercise of the powers and functions of their office – that is, to ensure that their conduct, representations and decisions as Ministers, and the conduct, representations and decisions of those who act as their delegates or on their behalf – are open to public scrutiny and explanation.
 - (iv) Ministers must accept the full implications of the principle of ministerial responsibility. They will be required to answer for the consequences of their decisions and actions – that is, they must ensure that:
 - their conduct in office is, in fact and in appearance, in accordance with these Standards;
 - they promote the observance of these Standards by leadership and example in the public bodies for which they are responsible; and
 - their conduct in a private capacity upholds the laws of Australia, and demonstrates appropriately high standards of personal integrity.
- 1.4. When taking decisions in or in connection with their official capacity, Ministers must do so in terms of advancing the public interest – that is, based on their best judgment of what will advance the common good of the people of Australia.
- 1.5. Ministers are expected to undertake whatever actions may be considered by the Prime Minister to be reasonable in these circumstances to meet the general obligations set out above, including the following specific requirements and procedures.

2. Integrity

- 2.1. Along with the privilege of serving as a Minister, there is some personal sacrifice in terms of the time and energy that must be devoted to official duties and some loss of privacy. Although their public lives encroach upon their private lives, it is critical that Ministers do not use public office for private purposes. In particular, Ministers must not use any information that they gain in the course of their official duties, including in the course of Cabinet discussions, for personal gain or the benefit of any other person.
- 2.2. Ministers must declare and register their personal interests, including but not limited to pecuniary interests, as required by the Parliament from time to time. Ministers must also comply with any additional requirements for declarations of interests to the Prime Minister as may be determined by the Prime Minister, and notify the Prime Minister of any significant change in their private interests within twenty-eight days of its occurrence.
- 2.3. Failure to declare or register a relevant and substantive personal interest as required by the Parliament constitutes a breach of these Standards.

Directorships etc.

- 2.4. Except with the express approval of the Prime Minister, Ministers will resign or decline directorships of public or private companies and businesses on taking up office as a Minister. Approval to retain a directorship of a private company or business will be granted only if the Prime Minister is satisfied, on the advice of the Secretary of the Department of the Prime Minister and Cabinet, that no conflict of interest is likely to arise.
- 2.5. If the Prime Minister has approved a Minister remaining as a director of a company and the enterprise subsequently begins to operate in an area potentially affected by decisions which are likely to be made by the Minister, it is the responsibility of the Minister concerned to declare any conflict of interests involved, and to resolve the matter immediately to the satisfaction of the Prime Minister on the advice of the Secretary of the Department of the Prime Minister and Cabinet.
- 2.6. Ministers will not provide advice or assistance to any enterprise otherwise than in a disinterested manner as may be required in their official capacity as a Minister. If a Minister has in the past had a personal association with a company or business and is required to make a decision that affects that enterprise alone or only a small number of enterprises of which that enterprise is one, the Minister should pass responsibility for the decision to either the senior Minister in the portfolio or a Minister nominated by the Prime Minister.
- 2.7. Ministers must bear in mind that their private interests can give rise to perceptions of conflicts of interests that might contaminate not just their own decisions but also the decisions of the Cabinet to which they are a party. Ministers must therefore ensure that they declare any private interests held by them or members of their families which give rise to, or are likely to give rise to, a conflict with their public duties.
- 2.8. Ministers must, in relation to the matters under discussion in Cabinet or a committee of the Cabinet, declare any private interests, pecuniary or non-pecuniary, held by them or members of their immediate family of which they are aware, which give rise to, or are likely to give rise to, a conflict with their public duties. Further information about the management of conflicts of interest in the context of Cabinet discussions is contained in the Cabinet Handbook.