

ELECTORAL AND REFERENDUM AMENDMENT BILL 1998 In Committee

Senator ROBERT RAY (VIC) (9.47 p.m.)—The great problem with Senator Murray's amendment is definitional. It does not actually do the job he wants it to do. There are probably three forms of government advertising. The first is what I would call standard advertising, such as defence force recruiting and advertising for tenders, and that should continue, even during a caretaker period of government. The second form of advertising is basically an information exercise, and the government can bask in the reflected glow of that type of advertising. That sort of advertising is usually, on balance, suspended from the issuing of the writs.

The third type of advertising is blatant electioneering, which I have to say has been pioneered more by state governments than by federal governments over the years. You need look no further than what has been done by Mr Jeffrey Kennett. Tens of millions of dollars of taxpayers' money have been expended on glossy leaflets and reports and TV and radio advertising in Victoria.

The problem with Senator Murray's amendment and that '6 months preceding' an election period is that, if that became law a government would time all its advertising campaigns and then go six months early, as they were planning to do in this particular period. At the moment, there is not just a colossal amount of government advertising in the pipeline, but it is all bunched up—it is targeted for July as much as possible. If you asked the government to average out its advertising expenditure for the calendar year 1998, it would bubble along, take a massive leap up—like the measurement of an earthquake—and then drop back down.

It is timed to get that advertising in at what the government regards as a crucial time for its electoral cycle. Your amendment would not pick that up, unfortunately. Therefore, it is not just a question of the major parties ganging up on the poor old minor parties and bashing them up again. That occurs on occasions with electoral bills, although often your rights are also protected—although that is rarely acknowledged—but on this occasion it is really definitional. I do not want to revisit the idea of truth in advertising, but I must be about the only person in the chamber who cannot philosophically define truth. It is not something that I necessarily think judges are any better at, but we will not return to that particular debate.

The real problem in the way advertising is handled by this government is that it has a secret manual. That manual says, 'Look, let's have a political advertising campaign.' Normally, these are based on legislative change or a conscious and hard decision of cabinet, but what the government is doing with the tax thing is neither. It will not have a legislative base or a cabinet decision; it will just go out and research and run advertising that anticipates its decision, because the government is keeping its tax package hidden. That is why it stands out as one of the most blatant exercises in Commonwealth history. Also, the fact that it has funding of \$10 million re-emphasises the point that it is simply a political campaign.

To get back to the government's manual, what is it? The government says, 'We've got a campaign coming up. As much as possible, why don't we go out and research it in quantitative and qualitative ways? Gee, I wonder who is good at that?' Then they sit around and puzzle for ages and come up with the name of Mark Textor, Liberal Party pollster. He gets given the work. He may not ask political questions, but certainly, if he pads out his account, he will do cheaper research for the Liberal Party later.

Mark Textor is the bloke they sent to England to advise the Major government on how to get re-elected. If anything would dent their credibility, it would have been that. They usually get Mark Textor to do the research.

Senator Chris Evans—It is a similar task this time.

Senator ROBERT RAY—Yes, it is a very similar task. Then when it comes to the advertising, you have to spread it around. There are 1,100 names in the database. It is surprising how often the names of Ted Horton, Mark Pearson, Toby Ralph and John King come up, either at Needhams or Lintas. It is amazing how much work Lintas has got in the last few months. Three major campaigns are coming up on the government payroll, and it just happened to get them. Did it get them by objective means? Is it public servants who choose Lintas? Of course it is not. It is a political committee.

And what a fair and just committee it is. It is chaired by Senator Minchin. Who else is on it? Petro

Georgiou, a former state secretary in Victoria, is on it, and I think the third member is Mr Tony Nutt, a former state director of the New South Wales branch—a very splendid one, I might say; he has a better record than the other two. They are on the committee, and they are the ones who choose who gets the work.

Guess who gets the work? It is the good old boys. That team gets the work every time. I understand that they are in for something like another five contracts, although you may want to deny that. That gives them a good living, but this is not just a question of money. These are prestige accounts. These are accounts that are like notches on the belt. They can go into their advertising pitches around the country and say, 'We ran the immunisation campaign' or 'We ran the youth care campaign' or 'We ran the tax campaign', and it looks tremendously good on the CV of those companies. It may not be massively profitable but, in general, there is a reasonable profit to be made.

We never want to return to the days where Needhams get the contract in a fix and then produce the most woeful ads one could imagine, just black and white on reels which any amateur could come up with overnight—several hundred thousand dollars was the eventual cost.

So what they do, Senator Murray, is go back to the manual, they get their favourite researcher in and they get their favourite advertising companies in—the very people that will be the backbone of their campaign in the next federal election. But your amendment, unfortunately, will not obliterate that as a fact.

I thought Leader Faulkner made some rather disappointing comments about Senator Minchin being needed in the chamber. Senator Minchin does not need to be in the chamber propping up numbers or anything else. He knows as well as I do that there is one way of telling if a Liberal Party leader is in trouble: Senator Richard Alston is always the last one to jump off the wharf onto the departing boat. So all Senator Minchin needs to do is to keep his eye on him. But I have some advice for you, Senator Minchin: if Senator Alston jumps, you want to be one second right behind him.

Amendment not agreed to.

COMMITTEES

Senator FAULKNER (NSW) (10.48 a.m.)—I will let the opposition whip debunk the last contribution from Senator Campbell and I will address the substance of the motion before the chair. The Liberal machine has always boasted of the roles played by many of its key operatives—

Senator Ian Campbell—This is a disgrace. You have no honour at all.

Senator FAULKNER—in support of the Country Liberal Party in Northern Territory elections. The DDB Needham ad team of Toby Ralph and John King, the Prime Minister's former chief of staff, Grahame Morris, and the Liberal Party pollster, ~~Mark Textor~~, all cut their political teeth in the Territory while working on CLP campaigns.

The coalition are proud of these operatives and the work they did in the Territory. They are proud of the racist, lowest common denominator campaigns that they have run—campaigns which not only 'de-Territorianise' the Aboriginal community there but also dehumanise them, campaigns that are based on character assassination, fear and loathing.

These were the operatives who assassinated Terry Smith in 1990 in a vicious personal campaign that scarred him and his wife and children. The Needham operatives later boasted in the *Adelaide Advertiser*—

Senator Ian Campbell—I raise a point of order, Madam Acting Deputy President. Not only has the senator on his feet at the moment deceived the chamber and breached any honour; he is now flagrantly breaching standing order 187. He is reading word for word—

The ACTING DEPUTY PRESIDENT (Senator Reynolds)—Order, Senator Campbell!

Senator Ian Campbell—some speech that a staffer has written out for him.

The ACTING DEPUTY PRESIDENT—Order, Senator Campbell!

Senator Ian Campbell—This man is a senior member of the Senate. He should not have to read a piece of puerile—

The ACTING DEPUTY PRESIDENT—Order, Senator Campbell! Will you please resume your seat.

Senator Ian Campbell—political rubbish word for—

The ACTING DEPUTY PRESIDENT—Order, Senator Campbell, will you please resume your seat. Would you please withdraw the word 'deceived', which is unparliamentary, I am advised.

Senator Ian Campbell—He flagrantly misled other honourable senators, and he is in flagrant breach of standing order 187. I ask you to call him to order.

The ACTING DEPUTY PRESIDENT—There is no point of order.

Senator Ian Campbell—Madam Acting Deputy President, I raise a new point of order. The opposition leader in the Senate is reading word for word a prepared text in large full spaced orator font, which is in flagrant beach of standing order 187.

The ACTING DEPUTY PRESIDENT—I am aware of that standing order, but I am also aware of the general practice of this place—certainly in my experience—that a number of senators do refer to copious notes. I believe there is no point of order to be taken.

Senator Ian Campbell—I raise a point of order, Madam Acting Deputy President. There is a difference between copious notes and a speech that is written out word for word in full orator font being read word for word by a senator who cannot look up, who cannot even extemporise. He has to read every single word of it. This guy is a leader of the opposition in the Senate. He has been in the parliament for nearly 10 years; he should be able to make a speech without reading it word for word like a grade 4 school student who is learning to read.

The ACTING DEPUTY PRESIDENT—Senator Campbell, this is an issue that is occasionally raised. I think it would be appropriate for me to refer it to the President to make a comment on, but I think you will agree that senators on both sides, on all sides of the chamber, do refer to copious notes.

Senator Robert Ray—You've never read a speech, Senator Campbell.

Senator Ian Campbell—Once. That's it.

The ACTING DEPUTY PRESIDENT—Order, Senator Ray.

Senator FAULKNER—I raise a point of order, Madam Acting Deputy President.

The ACTING DEPUTY PRESIDENT—I was going to let you resume your speech.

Senator FAULKNER—I would like to speak to the point of order. As you would know, Madam Acting Deputy President, I have an excellent record in this chamber in relation to making extemporaneous speeches. It is very unusual for me to take a point of order like the one that Senator Ian Campbell has raised. It is also very unusual for me to use copious notes. On this occasion I intend to use copious notes because there are certain facts here that need to be placed on the public record. I want to ensure that they are absolutely accurate. In relation to this contribution I am, unusually, going to use copious notes. But if Senator Campbell wants to set a new example—

Senator Ian Campbell—Go outside and make this speech; Robert Ray won't. It is 10 yards to courage.

Senator FAULKNER—I will be one senator who would be very happy every time a government senator in this chamber refers to copious notes to draw it to the chair's attention. I do not use notes on even an irregular basis. It is unusual for me, as you would know Madam Acting Deputy President, but I intend to do it in this speech because there is certain factual material. When the point of order was taken, I was quoting directly from the *Adelaide Advertiser*. I want to get these quotations right. I want to get this material right. I know we are going to have the government engage in a cover-up here, but I am afraid we are going to get this material on the public record whether Senator Campbell or other members of the government like it or not.

The ACTING DEPUTY PRESIDENT—Senator Faulkner, your comments are not a point of order. The reason I am referring this question to the President is that it is often used as a device by all sides in this place to restrict debate. I think it is time that we looked closely at the way in which copious notes are used because everybody uses copious notes in this place at different times when, as Senator Faulkner has indicated, they want to be sure to get particular facts on the public record. I think it would be appropriate if you finished your speech, Senator Faulkner, so that we can continue the business of the Senate.

Senator FAULKNER—I will continue this quote from the *Adelaide Advertiser* from the Needham operatives. They said:

. . . from a marketing perspective, the less decisive, the less interested, the less informed the voter, the more desirable, the more influential and the more seducible their vote.

In the same article, Toby Ralph bragged:

. . . the first part of our negative strategy was a vicious attack on Labor leader, Terry Smith . . . we called him Terrence—not Terry—because it sounds more contrived and effeminate and very un-Territorian.

These are the operatives who in 1993 put together the Liberal Party ad that showed Australians in the crosshairs of a telescopic gun sight while a deep male voice asked who would be next. This was an ad that was supposed to be about unemployment. The Coalition for Gun Control issued a press statement calling the ads 'a cynical exploitation of the tragic gun violence problem in this country'. In response, the then Deputy Director of the Liberal Party, Grahame Morris, dismissed complaints about the ads as being 'mild by political standards'.

Mark Textor is the notorious Canberra by-election push pollster and the first known user in Australia of

this invasive, anonymous and cowardly technique. He learned the technique in the USA and perfected its use in the 1994 Northern Territory election when voters were asked whether they knew that Labor planned to introduce two sets of laws, one for blacks and another for whites. Morris, Ralph, King and Textor—these are the operatives of whom this coalition is so very proud.

The coalition embraced them into the Liberal Party. It entrusted them with the key role in developing the Liberal Party election strategy in 1996. It gave Morris the key role in the Prime Minister's office. It gave the others key government contracts such as the rorted guns buyback advertising contract awarded to DDB Needham, with the research component of the public relations campaign carried out by Textor. It was Morris who orchestrated the fix to get them this work, despite their concepts testing disastrously.

The coalition threw other government work their way. There was a research contract for Textor on the Natural Heritage Trust. Waterfront reform research conducted by Textor cost taxpayers \$42,000 alone. Who is Mark Textor, the Liberal Party pollster who was recruited out of the Northern Territory by Andrew Robb? We know that both his methodology and his analysis are morally bankrupt. He is a push pollster obsessed with negative campaigns based on emotive and racist research findings. He is unprincipled and he is dishonest. In 1990 he participated in a scheme to defraud the taxpayers of the Northern Territory. Shane Stone, Mark Textor and Andrew Coward conspired to corruptly bill the Northern Territory government for \$35,540 worth of qualitative research into various governmental and political issues in the Northern Territory.

Senator Ian Campbell—You are so gutless and so cowardly; you won't say this outside. You are disgrace to the Senate.

The ACTING DEPUTY PRESIDENT—Order! Senator Campbell, that is inappropriate language. Please do not use it.

Senator Ian Campbell—Madam Acting Deputy President, he is gutless and cowardly. He won't say this outside. He is disgraceful and does not deserve to be a senator. Why don't you step outside? Go and say it outside.

The ACTING DEPUTY PRESIDENT—Senator Campbell, regardless of your feelings about the subject matter, you must withdraw the comments you have made about Senator Faulkner—regardless of the content, which I understand you feel strongly about. Would you please withdraw your remarks?

Senator Ian Campbell—Madam Acting Deputy President, all senators should feel strongly about a senator defaming a character.

Senator Robert Ray—Withdraw your remarks!

Senator Ian Campbell—I will be withdrawing. These are words that this senator would not say outside.

Senator Robert Ray—You withdraw; this is not your speech.

The ACTING DEPUTY PRESIDENT—Senator Campbell, would you please withdraw?

Senator Ian Campbell—This is a premeditated character assassination of a person who cannot defend himself. I withdraw what I said about Senator Faulkner.

Senator Robert Ray—Madam Acting Deputy President, I raise a further point of order. You should ask Senator Campbell to apologise to the chair. You were on your feet and he constantly interrupted, sniping from his seated position. He knows better than to put on this puerile performance, but because he cannot counteract any of the arguments we get this smearing interjection from him time and time again. It will go on all the time, Madam Acting Deputy President, unless you are firm with him.

Senator O'Chee—Madam Acting Deputy President, it might be in the interests of the good conduct of the chamber if Senator Robert Ray's point of order is noted, but we proceed with the business. In question time we have similar interjections from Senator Faulkner on the other side when Madam President is trying to keep order. I think we should just get on the business.

The ACTING DEPUTY PRESIDENT—That is a useful contribution, Senator O'Chee. We certainly do have interjections constantly in this place which are inappropriate and unparliamentary. That is why I asked Senator Ian Campbell to withdraw. The public is unimpressed with those kinds of interjections which both sides of this chamber engage in. I think that Senator O'Chee's suggestion, notwithstanding the comments of Senator Robert Ray, is appropriate. Senator Campbell, I ask you, notwithstanding your feelings on this subject, to restrict your comments to comments that are parliamentary and not unparliamentary so that Senator Faulkner can proceed.

Senator Ian Campbell—Madam Deputy President, I appreciate that and I appreciate the offer made by Senator O'Chee, but I think Senator Robert Ray's advice is absolutely accurate and I should not have spoken while you were on your feet. I should not have interjected upon you and I unreservedly apologise to you and to the position of President of the Senate. I think what I did was wrong.

The ACTING DEPUTY PRESIDENT—Thank you.

Senator FAULKNER—Madam Deputy President, could I indicate on a point of order that I kept addressing the chair because Senator Ian Campbell stood in his place and was addressing you without taking a point of order. Of course, if there was a point of order and Senator Campbell was called, I would have resumed my seat. I ask you to rule that, if a senator wishes to take a point of order—which they can at any time during a senator's contribution, particularly if they want to cover up what a senator is saying because it is so embarrassing to the Liberal Party and the National Party—they must stand in their place and seek the call. They just cannot stand up and scream across the chamber like the Manager of Government Business in the Senate who is setting such a poor example.

The ACTING DEPUTY PRESIDENT—I think we are all aware of the normal rules of procedure in this place and I would ask you to proceed with your speech.

Senator FAULKNER—Thank you. Shane Stone, now the Northern Territory's Chief Minister, was the President of the CLP at the time. ~~Mark Textor was employed as a researcher for the CLP and Andrew Coward was the key operative in Chief Minister Perron's office.~~ The same research that cost Northern Territory taxpayers over \$35,000—conducted by the same researcher, using the same focus groups, on the same days, in the same locations—was made available to the CLP for a mere \$3,700. Every aspect of the research provided to the territory government was also passed on to the CLP, but large sections of the document received by the CLP were never included in the research commissioned and paid for by the Northern Territory government.

The scheme was for the CLP and the Northern Territory government to simultaneously request research from Brian Sweeney and Associates into various governmental and political issues in the Northern Territory. The Chief Minister's office informed public servants of the parameters of the research and who would be conducting it. The public servants were never told that the CLP would piggyback on the government's research, that it would receive all of the findings and more. This is in total breach of copyright.

The public servants were also never told that taxpayers would bear the full cost of the group discussions, the group moderation expenses and the group recruitment expenses. They were never told that while the Northern Territory government would be billed \$4,800 for focus group recruitment alone, the total cost to the CLP for the entire project, using the same focus groups, would be only \$3,700. The public servants were never told that only swinging voters would participate in the focus groups. The public servants were never told that every focus group, in every locality, would comprise only white territorians, even though Aboriginals comprise approximately one-third of the territory's population.

The public servants were never told that the real reason for the research was contained in a memo dated 2 April 1990 and sent under the signature of Mark Textor to key CLP operatives. In that memo, Mark Textor specifically recommends that government and CLP research be run simultaneously. This memo is the genesis of the conspiracy hatched by Textor, Coward, Stone and Klein to falsely bill the territory government for the CLP's campaign research. The public servants were never told any of these things. Nor were they told that Mr Klein would totally breach his signed undertaking to the Secretary of the Chief Minister's department that all copyright would vest with the Northern Territory government. They were never told that all the research would be provided to the CLP. Nor were they told that Mr Ron Klein's letter of 14 June 1990 outlining the subjects to be covered in the research, included an attachment, which no public servant ever saw, which separated the governmental from the political information requirements.

This letter makes it absolutely clear that it was always intended to illegally bill the Northern Territory government for research that was purely for the political purposes of the CLP, research that was never intended to be made available to government.

Ron Klein's 12 focus groups resulted in two reports. The first is entitled *A 1990 Insight into the Northern Territory* and was prepared by Ron Klein for the Northern Territory government in July 1990. I shall refer to that as 'the government report'. The second report is entitled *A 1990 Insight into Northern Territory Politics* and was prepared by Ron Klein for the confidential attention of Shane Stone and Mark Textor of the Northern Territory CLP in July 1990. I shall refer to that as 'the CLP report'.

The government report is numbered 6706, while the CLP report is numbered 6697. I ask: who from Brian Sweeney and Associates made the decision to use the deceptive device of non-consecutive numbers for these reports? I ask Brian Sweeney and Associates whether its researchers are routinely instructed to provide advice on ways to conceal copyright and billing breaches to clients? Is it standard practice for their researchers to aid and abet the defrauding of taxpayers?

The government report commences with the quote, 'This document reports the findings from 12 group discussions conducted across the Northern Territory between 25 June and 3 July 1990.' The CLP report commences with the quote, 'This document reports the findings from 12 group discussions conducted across the Northern Territory between 25 June and 3 July 1990.' This is not surprising. After all, the methodology of each report, contained on pages 7 and 4 respectively, is exactly the same. The group numbers, the locations, the age and gender profiles and the dates are exactly the same. The only difference is that the CLP report contained the observation that the respondents had no involvement or strong affinity with any political party and every respondent in every group was white.

These two facts were deleted from the report provided to the government. In other words, the government never knew that the focus group samples were unrepresentative. They needed to be unrepresentative to suit the political parameters of the CLP. The government report, costing \$35,000, runs to 46 pages. The CLP report, costing \$3,700, runs to 65 pages. The CLP report includes page after page of material that they never asked for in their formal brief but, since it had been provided to the territory government, it was passed on to the CLP, in total breach of copyright.

Page after page of the report matches one another verbatim—the same layout, the same font, the same quotes, the same observations. Both reports contain the same chapter headings. In some cases, political quotes are left out of the government report but blended into the CLP report. Under the heading 'The Northern Territory economy and federal funding', on pages 13 and 10 of the reports respectively, the CLP report contains the focus group quote, 'It could be doing better if the government (NT) didn't waste so much money'. This quote was deleted from the government report, as were other comments relating to NT government waste.

Even though the government brief specifically sought information relating to the Sheraton hotels in Darwin, Yulara and Alice Springs, unfavourable political comments on these projects were deleted from the government report. The comments were, however, included in the CLP report. This must constitute, on Mr Klein's part, a massive breach of his legal, ethical and contractual obligations to provide the full findings of the research to this clients—the copyright for which vests with the territory government.

Time and time again aspects of the report are softened or altered so that the government report, for which taxpayers were billed over \$35,000, is a weaker, less precise and less informative document. Time and again, salient observations and quotes are left out. The only conclusion is that the Northern Territory government was provided with a useless document—research without any hard edges—a document which would gather dust.

The real findings, contained in the CLP report, start on page 44. Remember, the government report ran to only 46 pages. The first of the chapter headings in the CLP report that is not matched in the government report is headed 'An introductory comment on the local political arena'. Mr Klein's research told the CLP that there were perceptions of government waste; that the government lacked experience and maturity; that they were helping out their mates—and he wasn't wrong there—and that too many territory contracts were being offered interstate. That, I might say, was from the Melbourne-based Mr Klein. On it goes until page 64—20 pages of political findings. So one-third of the research the government never saw.

The NT public servants were merely the mugs who provided the taxpayer-funded structure around which the CLP could conduct its real political research. This research then formed the basis of the CLP's election campaign, run by DDB Needham, in October 1990. This is not only dishonest and unethical, it is also corrupt. The operatives involved—Textor, Stone, Klein and Coward—conspired to defraud the taxpayers of the Northern Territory.

Mark Textor's involvement in territory politics did not end with the Sweeney swindle of 1990. On 14 April 1993, Mark Textor's business—Territory Focus Consulting—entered into a contract with the Northern Territory government to provide research during 1993-94. The business name was registered with the ASC on the same day. In other words, registering the business name was simply a device to enable a paid coalition political operative to be engaged on voter research at taxpayer expense in the run-up to the election. The contract was for 12 months and the fee was \$740 per day. The services that Textor was to provide were described, in deliberately vague terms, in two lines in schedule 3 of the contract. I quote:

The consultant shall provide to the Territory advice on community attitudes towards government programmes and initiatives as required.

It was never intended that Textor would perform anything other than political research for the CLP. By July, Textor was providing advice to the private staff of Chief Minister Perron. In a letter to Andrew Coward, dated 16 July 1993 and marked 'private and confidential', Textor, a consultant engaged by the NT government on a \$740 a day taxpayer-funded consultancy, provided details of the voter research that he intended to conduct.

Time and again his research intentions refer to voters. He writes of determining 'what factors are most important in influencing voter behaviour'. He advises Coward that 'a campaign researcher needs regular voter contact in order to put his or her findings in their proper historical context and to properly interpret subtle changes in attitude'. He writes:

My groups were intended to be nothing more than a 'snap shot' read, or the first of a series of updates of the general political mood of the under 35 target market in the northern suburbs to see what (and if) further research was required and in what directions.

That goes to the heart of the scam. Textor's work was political. The letter to Coward was faxed from the Liberal Party's national headquarters in Canberra. In further faxes in September 1993, Textor describes the focus groups he is setting up for further research. He describes the processes that will be used to weed out committed voters. The evidence is unambiguous. Textor's research is political. Indeed, he boasts that he has seen 'more political focus groups than anyone in Australia over the last two years'. It is totally political. It serves no other purpose than the development of campaign strategies for the CLP. Yet it is paid for by the taxpayers of the Northern Territory.

The documents that we have in our possession and which are now being tabled, or soon to be tabled, in the Northern Territory parliament show the contempt that Mark Textor has for public accountability and ethical standards. They show that he is both an initiator and an active participant in conspiracies to defraud the taxpayers of the Northern Territory. This man is John Howard's own political pollster. This is a person appointed by the Liberal Party, nationally, to conduct their research.

Some of these scams were actually conducted by Textor while operating out of the Liberal Party national secretariat and using their equipment. This is a person considered suitable for government research projects for the Commonwealth of Australia. But we say this about Mark Textor. We say that he is a person unfit to receive government work in this country. We say that, in a democracy, political parties must observe some standards in respect of their own advertising and research. We say that Mark Textor is not fit to be retained as the chief pollster of the Liberal Party and the Prime Minister of Australia.

We say that Mark Textor conspired with Shane Stone, Ron Klein and Andrew Coward to defraud the taxpayers of the Northern Territory and we say that Mark Textor also conspired to use his business name, Territory Focus Consulting, to further defraud territory taxpayers by conducting political research for the CLP under a bogus government contract. We say that both the Prime Minister and the Liberal Party are tainted by their association with and involvement in dealings with one of the lowest, most unethical, most grubby political operatives Australia has seen.

Senator Kemp—Madam Acting Deputy President, I take a point of order. We have been very restrained

on this side while the Leader of the Opposition has been reading his speech and ranting and raving and carrying on. I would like to seek some advice from you. He is constantly slandering and abusing an individual, making wild and extreme claims about this person. What protection does this person have in this parliament to stop Senator Faulkner behaving in this quite disgraceful manner?

The ACTING DEPUTY PRESIDENT—There is no point of order. I think you, like all other honourable senators, are aware of references to the Privileges Committee.

Senator FAULKNER—We do need a committee of inquiry in order to establish whether the Textor modus operandi has ever been used at the federal level. I think the parliament needs to know whether Textor was given contracts for market research by this government and, if so, whether those contracts were for backdoor, taxpayer funded polling for the coalition or whether they were won on the basis of the merits of his bid.

We say that Textor's market research for the federal government needs to be examined in detail and we also say that a only a Senate inquiry is likely to do that. I commend the motion to the Senate. I have provided the minister at the table with a copy of documentation and I seek leave to table that material.

ADJOURNMENT

Textor, Mr Mark
Push Polling

Senator FAULKNER (NSW) (6.38 p.m.)—We already know that Mark Andrew Textor is the self-styled polling guru for the Liberal Party of Australia and the Prime Minister. We know that he has defrauded taxpayers and has used his position of influence with the Liberal Party to secure lucrative contracts for government departments. We know he will ruthlessly exploit racial prejudice for electoral gain. He has done this by excluding Aboriginals from his research and by seeking out racist responses to add flavour to CLP campaigns in the Northern Territory. We know that he has employed the notorious and despicable push polling technique on at least two separate occasions—in the Northern Territory election of 1994 and, of course, in the 1995 Canberra by-election.

Yesterday I told the Senate that he had been forced, along with Andrew Robb, to pay damages to Ms Sue Robinson and to issue an apology for the lies contained in the Canberra by-election push poll. The professional body for market researchers in this country yesterday issued a statement making it clear that all professional pollsters despise the use of push polling techniques, those very tactics that were admitted to by Andrew Robb, Mark Textor and the Liberal Party of Australia. I also informed the Senate that Mark Textor's current company, Australasian Research Strategies, is the Australian arm of the American company, Wirthlin Worldwide. Mark Textor can indeed be contacted at the email address mtextor@wirthlin.com. What is Wirthlin Worldwide?

Senator Conroy—Yes, what is Wirthlin?

Senator FAULKNER—More importantly, who is Wirthlin Worldwide?

Senator Conroy—Tell us who it is.

Senator FAULKNER—Richard Wirthlin is the company's founder and current chairman. He is also a director of Mark Textor's company. He was President Reagan's pollster from Reagan's time as Governor through to the end of his presidency. Richard Wirthlin is a figure from the extreme right of Republican Party politics.

Wirthlin Worldwide provide research to a whole spectrum of extremist right-wing organisations in America. Their clients are a who's who of radical right-wing interest groups who promote and support candidates from the Republican Party's extreme right and target moderates from within the party. They also provide research for the Council for the National Interest, which is a Washington based, anti-Israel lobby group which promotes conspiracy theories regarding the level of Jewish influence in the States.

Their research is used as ammunition on almost every hot button issue found at the heart of the Christian fundamentalist right—from school prayer to the constitutional amendment to protect the flag. Their research on abortion is used by Operation Rescue, the notorious organisation responsible for bombing clinics and targeting medical practitioners. Their research for the Concerned Women of America is used to argue against state funded child care and to attack affirmative action programs.

Richard Wirthlin is known to be a member of the Council for National Policy, a right-wing political group which meets in secret three times a year to devise strategies to advance the extreme right-wing causes of its members. Its secretive membership boasts anti-abortion crusaders, gun rights proponents, religious crusaders, anti-tax advocates, financiers, politicians and political organisers. They include such right-wing luminaries as Oliver North, the tele-evangelists Pat Robertson and Jerry Falwell, representatives of the pro-gun lobby, and the former leader of the Ku Klux Klan in Indiana, Richard Shoff.

Senator Conroy—The KKK!

Senator FAULKNER—Yes, the KKK. Among the council's ranks you will find Tom Ellis, past director of the Pioneer Fund, a racist organisation which finances efforts to prove that African-Americans are genetically inferior to whites. Gary North is also a member and he is a Christian fundamentalist who believes that the Y2K millennium bug is a curse from God to punish the human race for our dependence on computers, but he will sell you a survival kit for \$500.

The list goes on: cult leaders, anti-semites and racists. There is not a prejudice or a form of hatred which is not represented in the Council for National Policy. Among their membership is Richard Worthlin—Mark Textor's mentor and director of his company, Australasian Research Strategies. This group of hard right-wing operatives represent a range of interests and radical opinions which surely have no place in Australia.

I said yesterday that Mark Textor should be cut loose, and I repeat that now. He has already been allowed to import into this country a form of political behaviour that is unprecedented, unacceptable and certainly unworthy of Australian politics. If we believe that pollsters and researchers should observe some proper standards, then Mark Textor must go. If you actually believe that Australian political parties should observe proper standards, Mark Textor must go. If you believe that racism has no part in Australian politics, then Mark Textor must go. If you believe that Australians deserve a little more than just character assassination, then Mark Textor should go. If the Prime Minister does believe that the things that unite Australians are more enduring than the things that divide Australians, then what we say is: he must act, and Mark Textor must go.

MATTERS OF PUBLIC IMPORTANCE

Health Insurance: Government Advertisements

Senator ROBERT RAY (VIC) (4.43 p.m.)—The matter of public importance today is very serious because it goes to the veracity of governments. There is an increasing tendency for governments to use taxpayers' funds to advertise their programs. This has probably been more blatant at a state government level than it has ever been at a federal level—indeed, there are fewer checks and balances at a state level than there are at a federal level. But it is true to say that since the 1970s governments of all political persuasions have found it necessary to advertise government programs, which fall into two areas. Firstly, there is the classic information one. Let me give you an example: defence force recruiting—it is always at a very high figure, it is straightforward and it has continuity between governments of all political persuasions. Secondly, there is advertising that goes to the merits of a particular government policy in order to explain it to the public so that they understand it.

This again falls into two categories: advertising for a decision of government, parliament or the cabinet, and a new form of use of advertising to explain the future actions of a government. The most notable use of advertising to explain the future actions of a government was the tax campaign. No legislation had been introduced for tax reform, but \$19 million to \$20 million was allocated to advertise that particular program immediately before a federal election.

Who controls all this advertising? Essentially it is the Ministerial Committee on Government Communications, which is backed up by a group of staffers who concentrate on this area full-time. I have to say, though, that the ultimate decision making is for government, not for those staffers. The ultimate responsibility lies with the ministerial committee, and it has been the practice of the Howard government to put on that ministerial committee people who are probably experienced in media management and advertising from their previous careers as parts of political machines—inevitably those people have the most expertise.

So in the last three or four years we have seen a range of people on that ministerial committee—Senator Minchin; Mr Georgiou; Mr Graham Morris, more latterly; and Mr Tony Nutt. These are all people who have a long history in the Liberal Party apparatus. They have been chosen for two reasons: firstly, they are experienced, which I acknowledge; but, secondly, because it is believed that these ministerial committees are political bodies—and political bodies they are. They operate in such a way that they can blatantly ignore advice from the staff of the Government Communications Unit, and they constantly do.

The first time this was brought to light was in the first six months of the Howard government when it was decided to advertise the guns buyback scheme. And what happened? The preferred firm was not even on the register of 1,000 firms, so Mr Graham Morris wrote to the unit and got the Adelaide firm, DDB Needham, put on the register. When it came to short-listing the potential firms, guess what? DDB Needham did not appear on the list. Again, there was intervention at a staff and ministerial level and they were put on the list. Five firms went up to pitch, and the staff then ranked them from one to five. Guess who won it? No.5. It was not Nos 1, 2, 3 or 4; the fifth one won it. Who were involved as principals of that firm? The advertising gurus that assisted the Howard government's election in 1996 were all rewarded by getting the first major prestige contract out of the government.

On the public relations side, who should be rewarded but a company with links to Jonathan Gaul, long-term Liberal lobbyist, and ~~Mr Mark Textor~~, one of the scummiest political opinion pollsters this country has ever seen. They were all rewarded through ministerial intervention time and time again. The ministerial committee therefore cannot be regarded as an objective body, and they must be open to scrutiny and held responsible for decisions they make. There is no possibility that they can devolve any mistakes down to the bureaucratic level because the actual choices are theirs.

The most recent example is that the ministerial committee approved health ads that were blatantly wrong. The health ads claimed that all Australians with private health insurance would

be 30 per cent better off. Of course, that was not the case because it did not take into account the abolition of the previous scheme or those that were outside the registered area. It was all about selling the political points of government, and it was not about informing the public. This was a political campaign; it was not about putting factual details on the record—and it was not the first time.

The government's advertising for the tax package was an absolute disgrace. It was the use of taxpayers' money for blatant political purposes, timed—with the knowledge within a small circle of government of when the election was to be held—with an intensive advertising campaign and the launch straight into the federal election on the back of it. I have to say that it was an effective tactic. Even worse than that, hundreds of thousands of dollars of taxpayers' money went into public opinion research on tax issues. That information was not protected; it was sent to the Treasurer's office so the Treasurer could pass it on to his colleagues in the Liberal Party machine up at Robert Menzies House, and suddenly the money from the research became a massive donation to the Liberal Party. But, just in case the message was missed, that same research was sent on to the ministerial committee for its various occupants, such as Senator Minchin and Mr Georgiou, to look at. Did they look at it? Did they use that research? It was initially supposed to be a bit of qualitative research but the contract ballooned into quantitative research. The contract ballooned into tracking research so that they could track night by night to find out how their taxpayer funded political ads were going. In such a way, we saw a massive rip-off of taxpayers' funds.

So what can we do about this, Mr Acting Deputy President? I think the Auditor-General was right when he said that there should be some guidelines here, and the Joint Committee of Public Accounts and Audit is currently examining these issues. No-one comes to this debate with clean hands. The real question now is starting to go to quantum. The quantum is so much more massive under the Howard government, and the abuse of process in which the old favourites are rewarded is something that is nothing short of sickening. All the old names turn up time and time again, not out of recommendations by bureaucrats and evaluation by the experts but by a very political ministerial council that picks out the Liberal Party favourites, like Mark Textor, and rewards them with work even though their competency levels, one would have to say, are highly questionable.

These health ads are the classic example—all the short cuts were taken. Poor old Senator Ellison was induced to have his name authorising these ads that were patently wrong. So his reputation has been diminished because of that. Really, some consideration should be given to this—and I hope out of the public accounts committee we will see a decent set of guidelines come forward that will apply not only to federal government but also, one would hope, to the areas of greatest abuse in the state field and that they may give some consideration to adopting those sorts of guidelines for their own purposes.

Textor, Mr Mark

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate)(1.00 p.m.)—I raise an important matter of public consideration today, an issue of even greater relevance given the dreadful performance of the New South Wales Liberal Party since December last year.

For some time now the Labor opposition has been highlighting the insidious and corrupting influence of Mark Textor on the Liberal Party, federal and state, and his growing influence on broad public policy in this country. We now have further evidence of his application of wedge politics within the Liberal Party, of the tactics of division and betrayal to achieve personal and political ends, no matter what the cost.

Today I want to examine the public subsidisation of Mark Textor's political machinations through massive federal government contracts, all undertaken with a blatant political subtext. I also want to examine Mark Textor's recent claim that he is not political at all but is instead a 'techno-dweeb', only interested in the interrelationship between public opinion and public policy. In my view, the deliberate blurring of the distinction between opinion and policy is so directly a product of Mark Textor's influence over today's Liberal Party it should become known as 'Textorisation'.

First, we should recap what the public now knows about the Prime Minister's preferred pollster, Mark Textor, and those who knowingly consort with him. We know that Mark Textor has learned research strategies from extreme right Republican identities in the US like the Reagan pollster Richard Wirthlin. We know that Textor devised a scheme to im properly siphon off Northern Territory taxpayers' money to fund Country-Liberal Party political research. We know that he implemented this fraud on the taxpayer in the lead-up to a number of Northern Territory elections in the early 1990s, using legitimate polling companies like Brian Sweeney and Associates and Newpoll.

We know that leading CLP politicians such as Marshall Perron and Shane Stone encouraged Textor to uncover divisive community issues to exploit during election campaigns like the infamous 'two sets of laws' lie. We know that Textor himself ran a number of focus groups in Darwin in April 1993, being paid by the Northern Territory taxpayer but conducting outright political research for the Country-Liberal Party. We know that, contrary to the ethics of the market research profession, Textor plied focus group participants with alcohol, lied to them about his client and about the purpose for filming the group, and failed to inform the participants that they were being observed from another room by a number of political operatives.

We know that, in conjunction with Shane Stone and DDB Needham, Textor devised and implemented a push-polling strategy in the 1994 Northern Territory election, deliberately telling lies about Labor Party candidates. We know that Textor admitted his involvement in the push-polling strategy implemented by Andrew Robb and the federal Liberal Party in the 1995 Canberra by-election, and was forced to pay significant damages to the ALP candidate. We know that Textor's influence in the Liberal Party federal secretariat has been growing with close involvement in the 1996 and 1998 federal campaigns. And, finally, we know that during the 1998 campaign, while he was the in-house pollster at the very right hand of the Prime Minister, he was given a very short-term contract to provide polling for the *Bulletin* magazine, a contract which lasted only for the duration of the campaign itself. These published polls graphically showed the gross incompetence of Textor and his polling methods.

This has been the learning curve of Mark Textor—a potent and corrupting mixture of lies, push polling and abuse of public funds for base political ends. This lengthy political apprenticeship has resulted in Textor receiving a number of significant federal departmental contracts in recent times, and all of these have a stench about them.

Textor's influence over the Liberals becomes more pervasive and pernicious with every contract

that he scores with the Liberal Party and the federal government. For example, Textor received the contract to undertake polling for the Natural Heritage Trust advertising campaign in the run-up to the federal poll last year. This contract, worth \$125,945, was delivered to Textor at the express request of Ms Jane Seaborn, a consultant who was engaged to oversee the campaign and who is a Liberal Party apparatchik and former staffer to both John Hewson and Andrew Peacock. We ask: how much of the information gained during this publicly funded research found its way to the Liberal Party so they could gauge the strength and nature of the environmental vote during the election campaign?

Textor had already received \$42,000 as the focus group researcher for the notorious waterfront campaign with its extremely ideological focus on smashing the union movement in one of Australia's most important industries. Again, Textor was awarded a contract to undertake the research for the now infamous Minister Reith 'thousand flowers' letter to the Prime Minister. And Peter Reith has finally come clean on his sleazy little deal with Textor. The research contract entitled 'Public attitudes to further workplace reform' lies at the heart of that minister's grand plan for disenfranchising Australia's workers, and is worth up to \$340,000 with an extra \$35,000 available for travel. Thirty-five thousand dollars for travel! That amount gets you to Perth and back 43 times! And this contract is with the Department of Employment, Workplace Relations and Small Business and the Labour Ministers Council.

While Textor conducted the focus groups in June and July last year prior to the election, he did not deliver his formal report until November. But, given the Northern Territory precedents, we ask: did another report, or the research results themselves, go straight into the Liberal Party prior to the election campaign where voter attitudes on industrial relations and the role of trade unions is always a wedge issue for the Liberal Party, an issue to divide the community and be exploited for political ends as a Textor speciality?

In undertaking this research for Minister Reith, Textor conducted a massive focus and marketing campaign on the attitudes of Australians to unions and individual workplace agreements. At the same time we have seen a dramatic increase in the anti-worker drive uttered by prominent Liberals who are out to demonise the union movement. There has been an exponential increase in this derision around the country and in this parliament, and for evidence of that you need look no further than Senator Alston who, on hearing the word 'union', slobbers like a pavlovian dog. One has to ask if focus testing is informing this strategy of derision.

In total, Mark Textor has been the beneficiary of federal government contracts to the tune of over \$540,000 in the last 12 months. Every dollar of taxpayers' funds he misappropriates, every polling exercise he conducts, every focus group he and his company select and dissect means that opinion is drawn out through the gatekeeper, Mark Textor, and entrenched in Liberal Party policy. And we know how selectively he draws opinion out and actively shapes the opinion of the research participants with the notorious Textor tapes from the Northern Territory where he lied to justify his ends.

Sections of the Liberal Party starting with the Prime Minister are transfixed with the polling that Textor produces. Mr Howard thinks it is gold, but it is fool's gold. This Prime Minister has degraded the high office he holds by actively encouraging the influence of polling research on the direction of Australian public policy. This 'Textorisation' of public policy has made the Prime Minister turn his back on the reconciliation process and to decide to be abrasive and deliberately hostile to the community aspirations of not only our indigenous people but millions of Australians who recognise their aspirations and just want Mr Howard to say 'Sorry'. This 'Textorisation' has dictated the Prime Minister's policy directions on industrial relations, corporate philanthropy and mutual obligation. Sound public policy development has never been John Howard's forte, and in Mark Textor he has his perfect weathervane.

The injection of over half a million dollars of federal taxpayers' money into Australasian

Research Strategies represents a most impressive cash flow for a political party pollster in the months leading up to a federal election. This is more than enough to subsidise Mark Textor's meddling in state political matters. And, of course, the 'Textorisation' of public policy has now led to the humiliating failure of the New South Wales Liberals. The central role of Textor and his polling in bringing down Mr Collins is now well known and must be a source of angst to someone who would rather call the shots but remain invisible.

The New South Wales Liberal Party President, Michael Osborne, has spoken of how he provided Textor's polling to the then deputy leader, Ron Phillips, and the then leader of the upper house, John Hannaford, in order to convince them to drop their support for Mr Collins and instead switch to Kerry Chikarovski. The Liberals' New South Wales Director, Remo Nogarotto, last week committed a massive pre-election gaffe in pointing to Mr Collins's polling profile late in the year as so woeful Mr Collins would be the New South Wales Liberals' Billy McMahon. Mr Collins himself referred earlier this week to the insidious effect of Textor's product when he denounced 'selective reading of polls by inexperienced campaigners'.

But Textor was not just involved as a disinterested pollster. At the time the coup was being hatched and executed, Textor and fellow plotter Michael Yabsley were doing the rounds of Parliament House in Canberra actively spreading the polling results to federal Liberals. They were deliberately acting to ensure that none of Mr Collins's federal supporters would have any basis to launch a rescue mission, and in this they succeeded. No-one came to Mr Collins's aid from the federal sphere, despite past debts. And, in doing so, Textor was no 'techno-dweeb'; he was a player pure and simple.

The Victorian Premier knows exactly how much Textor has been an active player within the Liberal Party. At the Victorian division conference last week, Mr Kennett made an extraordinary and unprecedented attack on the New South Wales division, its president and its director, and directly on Textor himself. Mr Kennett's dislike of Textor and his methods is palpable. Let me quote Mr Kennett:

The Party were obviously spooked by the polls, but the polls were being conducted in private by Nogarotto and the pollster who were obviously convinced that change was necessary anyway.

He went on to say:

They had a State Director Remo Nogarotto and a polling organisation that allowed themselves to become players in the market-place rather than recognising that both were employed to serve the organisation and to serve the parliamentary wing. Because they became players, they set in place activities and outcomes which have proved devastating.

Textor's devastating influence and player status were not limited to the change of leadership. In the lead-up to the New South Wales campaign, and in the campaign proper, we now know that Textor had significant responsibility for the direction of the Liberals' entire advertising strategy—an amazing choice for a less than competent pollster with delusions of grandeur. And we understand this decision led to considerable angst and friction between the campaign headquarters team and between the team and Chikarovski's staff.

This factor is the real reason for the Liberal Party's gross lack of focus during the campaign—their continual changes of advertising strategy; their blundering backdowns in having to withdraw five ads from air; their inability to properly argue for the policy centrepiece of their campaign, electricity privatisation; and the juvenile and pathetic retreat to the 'Give Labor a kick in the pants' line in the final week, which is a slogan more worthy of the Northern Territory CLP than a real political party. Textor's gross incompetence has been on graphic display to the people of New South Wales in the past month, and the New South Wales Liberal Party has received its just desserts for giving him any serious responsibility for the direction of the campaign.

And there have been more signs of Textor's lack of ability, even in the strict field of polling. In a

story in the *Financial Review* yesterday, Stuart Washington and Mark Skulley reported:

The NSW Liberals were unaware of their impending electoral disaster until the last days of the campaign, it emerged yesterday. One person close to the Liberal campaign said internal polling was showing that the party was within striking distance eight days out from the poll.

Textor's internal polling was clearly worse than useless to the campaign. The Liberals headed blindly into the worst primary vote in their history, sticking to their campaign described by Peter Collins as 'the most incompetent in living memory'.

There are more recriminations yet to be aired in the New South Wales Liberal Party, more barbs to be aimed at the Prime Minister's role, and more dirty linen to be aired about the incompetence, amorality and treachery of many of the players, including Textor. Yet I am continually amazed by the resilience of Textor's mates in attempting to maintain his public funding lifeline. Another example in recent days has been Textor's push-polling accomplice, Andrew Robb, blithely announcing that Textor will be the pollster of choice for the republican movement and the yes campaign in the referendum next year. I understand this has come as a bit of a surprise to the leadership of the republican movement and the public servants in the department of PM&C who are currently drawing up the job description for the pollster. The tender process for the \$7.5 million campaign has not even been commenced.

We say it is inappropriate for either Labor or Liberal pollsters to be involved in the yes or no cases for the republican referendum. Prime Minister Howard has already gone too far down the path of politicisation and improper use of public moneys with this pollster, Mark Textor. He and the Liberal Party stand condemned for their association with this incompetent, amoral and utterly unethical loser. (*Time expired*)

ANSWERS TO QUESTIONS WITHOUT NOTICE
Australian Taxation Office: Company Audits

Senator CONROY (3.28 p.m.)—What we have seen today is a pathetic defence, an attempt to avoid the very subject which this motion is about, and that is talking about how many Liberal snouts can this mob get into the trough of the GST. That is what the questions we were asking were about: the tax office and the undue influence of spivs who come in from the other side and put on their ties. They are spivs with law degrees who think they can go out and represent the big end of town. All the spivs are loose.

The DEPUTY PRESIDENT—Order! Senator Conroy, I am not quite sure but you sound like you are going very close to making an imputation against members of the government. I would ask you to withdraw it.

Senator CONROY—If the shoe fits lawyers, then I plead guilty. I did not actually impute anything to anybody on the other side.

The DEPUTY PRESIDENT—You might like to make clear what you are talking about.

Senator CONROY—It may be a general imputation about lawyers. How many of them there are on the other side is a matter of public debate, but there are at least four that I can see from here.

What this debate is about is how many Liberal snouts can this mob lead to the trough. We have seen in the last few days the matter of Chris Jordan, the independent expert. We have seen the uncovering of the fact that Chris Jordan in 1987 worked in the Prime Minister's office.

Senator Brandis—It is on the public record.

Senator CONROY—There is nothing wrong with that, Senator Brandis. You do not need to be ashamed. This is not a reflection on Chris Jordan; this is a reflection on the propriety of those on the other side. All you needed to do to avoid this debate was to declare that Mr Jordan was a former staffer for the Prime Minister. That is all you needed to do. But, no, the government knew they could not have Mr Jordan masquerading as independent if it had come to light that in actual fact he was the Prime Minister's former tax adviser. How on earth could they credibly put up a bloke who was the Prime Minister's former tax adviser?

This is not a reflection on Mr Jordan's competence; this is a reflection on this government's deceit in its attempts to mislead the Australian public about the impartiality of this start-up office. What is the first thing that Mr Jordan does? He is hired as an expert in the area. He is hired as someone who can give many lectures and can talk fluently and publicly, and what is the first thing he does? He gives a \$200,000 contract to another member of the Liberal mates club. To make sure it continues, it has got Graeme Morris, that disgraced former chief adviser to none other than the Prime Minister, who coincidentally happened to be the chief of staff for John Howard when Mr Jordan was working for Mr Howard. We have got another huge government taxpayer funded contract going to another disgraced staffer for this government.

Then we discovered last week that the Tourism Council of Australia, the only tourism organisation in this country which advocated support for the GST, had revealed in its own 1999 accounts that it was insolvent—it could not pay its debts. What did this mob do? They gave a \$2.3 million contract to run GST seminars to their mates in an organisation that was insolvent, just to prop it up. Who were the stars behind the Tourism Council? Bruce Baird, former New South Wales minister, currently in the other place. He ran it into the ground. He finished up in 1998 and they were going down the gurgler financially in 1998. Scott Morrison came on board around the same time and left in 1999. Where did Scott Morrison go to? He is the New South Wales director of the Liberal Party now. This is a mob that gave a \$2.3 million contract to an insolvent organisation of their mates to keep it afloat.

But it does not stop there. We have got ~~Mark Pearson~~, who is in the book *The Victory* at page 159:

When he arrived, Pearson drew a big circle on his whiteboard and labelled it 'we'. This was the Australian electorate, he said, and Howard had to get to the centre of it—a point which they defined as 'standing for everyone' ... Every Coalition advertisement would give expression to this highly devious theme. It was one of Pearson's great findings, Horton declared jubilantly.

He was another of the mates, and what happened there? For 7½ months work, what does he get paid? It is \$405,000 for 7½ months work—another Liberal mate cashing in big on the GST. They have run out of Liberal mates to give contracts to promoting the GST. We are up to \$3 million or \$4 million to a bunch of Liberal Party former staffers who all worked on the Liberal Party election campaigns. (*Time expired*)

Question resolved in the affirmative.

ADJOURNMENT: Ministerial Staff

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (11.22 p.m.)—Madam Deputy President, as you know, the Howard government is a government of special deals, and the Prime Minister has delivered on special deals to his mates. We have the B-grade cronies like Michael Kroger, Tony Messner, Jim Short, Donald Macdonald, David Barnett, Michael Baume—the list goes on. They all got the top jobs and sinecures, of course. We all know that the Liberal pollster Mark Texta receives hundreds of thousands of dollars worth of public contracts. We know about the ministers who flagrantly have breached the code of conduct which was based on longstanding precedence of ministerial propriety. They are all let off the hook, it does not matter how many coal mines or coal shares they own. You have the advertising executive Mark Pearson, who received massive in-house GST consultancies after designing the political advertisements for the Liberal Party. Worst of all, who can forget the \$16,000 pay rise for Mal Colston in return for his vote; that was probably the most blatant example of institutional corruption in Australian political history.

But now we have another deal. We have been able to expose another special deal for Liberal Party insiders. It came to light at the Senate estimates committee last Tuesday, when Senator Ray and I were questioning the Department of Finance and Administration. Of course the taxpayers, as usual, have been fitted up with the cost of this; we do not yet know how much. But, according to a document handed over by the Department of Finance and Administration, the Prime Minister has invented a couple of new classifications of Howard government political advisers.

Members and senators employ some 674 electoral office staff, who work under the MOP(S) Act. On top of that, we are told that there are 355.4 government staff, 73 opposition staffers, 15 Democrats' personal staff and one each for the five Independents in each house. That is 1,122.4 staff. We know the salary range of 1,118.4 staff working under the MOP(S) Act. But two principal advisers working for Mr Howard have received salary increases outside the range. Another two advisers have been reclassified as 'special advisers'—a secret, one assumes, special for four Liberal Party insiders. There is now a special category of 'principal adviser' and a completely new category of adviser called 'special adviser'. What makes them so special? We do not know. The department of finance could not tell us.

In the Prime Minister's own office, his long-term staffer, now principal adviser, Arthur Sinodinos, who took over the reins after Graeme Morris was forced to fall on his sword, has had his personal salary hiked above the previously published maximum salary range. The top of that salary range for principal adviser is \$130,000 per annum; with the addition of the standard ministerial staff allowance, it comes to around \$142,000. But, according to a footnote on an estimates committee tabled document detailing salary classifications, Mr Sinodinos plus the Secretary to Cabinet and head of the cabinet policy unit, Mr Paul McClintock, earn 'a personal salary above the maximum of the salary range'. Mr McClintock received his pay hike from 10 July; Mr Sinodinos got on the band wagon and received his upgrade on 17 August last year.

Who set the salary? The Remuneration Tribunal? No. The parliament? No. DOFA? No. It is a secret salary agreement set by a mysterious staff committee, which the Secretary of the Department of Finance and Administration, Dr Boxall, says:

... is a committee to advise the Prime Minister and other ministers as to the appropriate salaries of ministerial staffers. The interaction with us is that, once a decision is made to pay a staffer certain salary, we then proceed to pay it.

That is it for any input from the Public Service. Just tell them the political decision; they go out and foot the bill from the taxpayers' pocket. So it is the committee which decides on the appointment and salary settings of senior ministerial staffers.

Senator Abetz, the minister at the table at the estimates committee, confirmed that he attended a

staff committee meeting—but he could not remember who was on the committee. Apparently, we have found out, the committee is jointly chaired by Senator Hill and Mr Reith, with the Special Minister of State being a member—and that should worry all senators in the chamber. From the sound of the evidence, Mr Sinodinos is also a member of the committee, because we were told by public servants that DOFA would be advised by Mr Sinodinos of impending pay decisions made by the committee. If he is on the committee, did he absent himself when decisions about his new pay were made? We do not know but we want to know. We do know that this committee has been in operation since 1996 and that it would have advised DOFA of the supposed need for an extra 63 ministerial staffers that the Howard government has sneaked onto the government's books since that time. So we have two Liberal advisers now receiving a salary in excess of the set guidelines and published salary range, without any transparency, without any proper accountability.

Mr Howard's other little wrinkle is the invention of the 'special adviser', a category of adviser hitherto unknown in ministerial office administration. A second revealing footnote in the document that was provided by DOFA says:

Two staff, one in the Prime Minister's office and one in the office of the Minister for Forestry and Conservation, have a personal classification of special adviser with a salary of \$77,750.

We presume that a special adviser also gets the MSA allowance, placing the full salary in the \$90,000 per annum range. It does not mention add-ons—whether a car is supplied or there are other additional parts of the package—and it does not say what constitutes a 'special advisory' role. We do not know who the special advisers are—that is covered up also. I will bet one of them is the long-time campaign strategist, the advance man, and former adviser in the Government Members Secretariat, Mr Vincent Woolcock, who is now on Minister Tuckey's staff. Maybe he has been put there to keep an eye on Mr Tuckey's erratic behaviour—who knows? Maybe he has another role and responsibility. We want to know. The other special adviser is on the Prime Minister's staff. No admission of who it is. As I say, we do not know the names of these special advisers. Eventually, we will get to the bottom of it. But the detail of their special role is all managed within the confines of an Australian workplace agreement between the employees and their bosses: Mr Howard and Mr Tuckey.

These revelations confirm that the Prime Minister himself is fixing secret arrangements to reward certain trustees, certain people within his staff, and now other trusted ministerial staffers. The cost to the taxpayer is not known. The definitions and criteria for these categories are not clear; they are shrouded in what is now the Howard government's ingrained culture of cover-up and secrecy, their ingrained culture of trying to reward their mates with taxpayers' dollars. We outed Mr Sinodinos and Mr McClintock's special deal last Tuesday. We are going to out these other two as well. We expect a full and frank response to our questions on notice. We want the answers to the many questions we have asked that are seriously raised by these shady pay deals, these shady arrangements so typical of this sleazy Howard government. *(Time expired)*

Senate adjourned at 11.32 p.m.