

Chapter 8

RPP Grants in the Electoral Division of New England

8.1 The electoral division of New England featured prominently in the inquiry due to the proliferation of issues that emerged about the operation of the Regional Partnerships Program in that electorate. As discussed in earlier chapters, applicants for SR and RP grants often seek the support of their local member of Parliament or of a senator. In many cases, all that applicants request are letters of support, but in some cases members are closely involved in the processes of grant applications, some attending meetings of interested organisations, giving advice and making personal representations to ministers. Mrs Kay Elson MP, the Member for Forde, for example, was closely involved in the grant made to Beaudesert Rail. The Independent member for New England, Mr Tony Windsor MP, was, for a number of years, a member of organisations that were seeking government and other funds for the establishment of an equine and livestock centre in Tamworth, New South Wales.

8.2 Mr Windsor's involvement in that project gave rise to a number of issues that the Committee has explored under subparagraph (1) (h) of its terms of reference. The most sensational of those issues was a claim made by Mr Windsor that he had been offered an inducement not to stand for the seat of New England.¹ The issues also included his claims that political conditions were put on grants made to three projects in the electoral division of New England, namely, the Australian Equine and Livestock Centre, the National Centre for Maths and Science at the University of New England and the Grace Munro Aged Care Facility in Bundarra.²

Australian Equine and Livestock Centre

8.3 The Australian Equine and Livestock Centre (AELC), situated in the town of Tamworth in New South Wales, was provided with a grant of \$6 million from the RP program. The Hon John Anderson MP, then Deputy Prime Minister and Minister for Transport and Regional Services, announced the grant as an election commitment on 21 September 2004.

8.4 The Tamworth community had attempted for several years to develop an expanded and updated equine centre so as to maintain the district's pre-eminent position in the Australian industry.³ The following paragraphs describe as much of the history of attempts to develop the centre as is needed to put into context Mr Windsor's allegations regarding political conditions being attached to the awarding of the grant.

1 Mr Windsor MP, *House of Representatives Hansard*, 17 November 2004, pp 151-153.

2 Mr Windsor MP, *Submission 15*, pp 2-3.

3 See, for example, Tamworth Regional Council, *Submission 16*, pp 1-5.

Background to the RP grant application

8.5 In June 2000, the Tamworth City Council established a working group comprised of local, State and Commonwealth parliamentary representatives, major horse industry associations, businesspeople and the Tamworth Pastoral and Agricultural Society to investigate the prospects of developing an equine centre.⁴ Mr Windsor, as a member of this working group, had a critical role from the earliest stages of this project. The first Commonwealth Government grant to the project (of \$33,000) was made under the Regional Assistance Program (RAP) in December 2000, to assist the Tamworth Council 'with employment of a project officer to develop capital investment strategies, business plan and projected revenue streams'.⁵

8.6 In 2001, the Tamworth City Council engaged a consultancy firm, Sinclair Knight Merz, to produce a feasibility study and a business plan for the proposed centre. In January 2002 Council made a submission, based on the Sinclair Knight Merz study and business plan, to the Commonwealth Department of the Treasury for budget funding of \$3.5 million.⁶ The Council had made a similar submission for a grant from the Regional Tourism Program on 18 October 2001,⁷ but the funding available under that program, a maximum of \$100,000 for any individual grant, was much less than was needed.⁸

8.7 On 22 February 2002, the National Party senator for New South Wales, Senator Sandy Macdonald, convened a meeting to discuss the Council's submission. The meeting was held in Minister Anderson's office in the nearby town of Gunnedah. Minister Anderson, Senator Macdonald, Mr Botfield, the then chair of the working party and former chair of the New England Area Consultative Committee (NENWACC), Councillor Treloar, Mayor of Tamworth City Council, and some other interested persons attended the meeting. Mr Windsor, the new Independent federal member for New England, apparently was not invited to the meeting.⁹

8.8 Mr Botfield informed the Committee that he had been told by another attendee at the meeting that Mr Patrick Maher, the then chair of NENWACC, who

4 Tamworth Regional Council, *Submission 16*, p. 3 and Mr Botfield, *Committee Hansard*, 29 June 2005, p. 42.

5 Tamworth Regional Council, *Submission 16*, p. 3.

6 Tamworth City Council, *2002/2003 Federal Budget Submission*, 24 January 2002, in answers to questions on notice, received 29 June 2005.

7 Mr Inglis, *Committee Hansard*, 29 June 2005, p. 5.

8 See Department of Industry, Science and Resources, correspondence to Mr Paul Anderson, Tamworth City Council, 10 November 2001, in Mr Botfield, answers to questions on notice, received 6 July 2005.

9 Mr Windsor MP, *Committee Hansard*, 3 February 2005, p. 48.

also attended the meeting, had said that 'if Tony Windsor turned up for the meeting, he would not be turned away but no discussion would take place'.¹⁰

8.9 Following the meeting, at which it was reported that Mr Anderson had said that, 'Political grandstanding was not the way to go',¹¹ Mr Anderson announced that he would ask Professor John Chudleigh, Chairman of the Independent Assessments Panel for the Regional Solutions program, to assess the proposal's financial viability.¹²

8.10 On 30 May 2002, Mr Anderson released Professor Chudleigh's report, and announced that he had reviewed the report and accepted its findings, which included a recommendation that the 'Federal Government does not provide support for the currently proposed...project'.¹³ Mr Anderson stated that he 'would be happy to consider an application from the proponents for a feasibility study on redeveloping the existing showgrounds site, possibly through the well regarded Regional Solutions Program'.¹⁴

8.11 During the remaining months of 2002 and again in 2003 the Tamworth City Council attempted to advance the establishment of the centre by, for example, commissioning a feasibility study of the 'showground option' and by corresponding and meeting with NENWACC.¹⁵

8.12 In February 2004, the Council established a second working group which was chaired by Mr Windsor's nominee, Mr Greg Maguire. In June, the Council appointed Bevan Coote and Associates 'to undertake and prepare [an] application to Regional Partnerships and to complete a full and comprehensive Business Plan'.¹⁶ This work was completed in August 2004 and on 10 August the Council and the Working Group briefed NENWACC on the new plan. On 27 August NENWACC recommended the grant to the Minister with a '4' rating, that is, recommended with a high priority. As reported earlier, the Minister announced the grant of \$6 million on 21 September 2004 during the election campaign.

First and second applications for a grant

8.13 The failure of the first submission to attract a Commonwealth Government grant and the success of the second are matters of some significance because Mr Windsor has alleged that the first application was unsuccessful only because of his association with it. Mr Windsor argued as follows:

10 Mr Botfield, *Submission 32*, p. 6.

11 'Equine Centre Talks', *The Northern Daily Leader*, 22 February 2002.

12 'Equine Centre Talks', *The Northern Daily Leader*, 22 February 2002.

13 Mr Anderson MP, Media Release A69/2002, pp 1, 4.

14 Mr Anderson MP, Media Release A69/2002, p. 1.

15 Tamworth Regional Council, *Submission 16*, p. 4.

16 Tamworth Regional Council, *Submission 16*, p. 2.

...the political conditions that were placed on the first application for funding...were put in place to find reasons to not proceed with the project (pre May 2002) whilst the second application, not being substantially different to the first, the political preconditions were about making the project happen with the appropriate political rewards by the removal of the local member, either from active involvement in the process or preferably from politics altogether.¹⁷

8.14 Other witnesses, however, did not agree with Mr Windsor's assessment that the second application was not substantially different from the first.

8.15 Mr Maguire and Councillor James Treloar, the Mayor of the Tamworth Regional Council, considered that the applications were significantly different in a number of ways. Councillor Treloar stated that:

Yes, there are similarities between the two conceptual designs, without a shadow of a doubt...But, looking at the underlying information that backs each proposal, I would have to say that they are significantly different.

...I do not know that you could even draw a comparison between the two submissions on the basis of the funding, the business plan and the underlying information they contain.¹⁸

8.16 The Tamworth Regional Council submitted comparisons of the two proposals to demonstrate those differences.¹⁹

8.17 Mr Maguire stated that:

Mr Windsor has told this inquiry that the submission recently put by the reconstituted committee of which I am chairman was the same submission as he and the committee of which he formed a part for the last 12 years had been unsuccessfully putting to the federal and state governments for support. This is patently untrue...Unlike the current submission, the previous submission was not supported by commitments to the extent of \$2 million from the equine industry and the Tamworth Regional Council...The previous submission was not self-sufficient even if the requested government funding was granted.²⁰

8.18 On the other hand, Mr Botfield, the then chair of the working group, tended to support Mr Windsor's assertion that the two proposals were essentially the same. He informed the Committee that the real difference between the two proposals was that the second submission contained an argument for total funding, but that there was some debt funding in the first submission.²¹ He did remark, however, that Professor

17 Mr Windsor MP, *Submission 15*, p. 3.

18 Councillor Treloar, *Committee Hansard*, 29 June 2005, p. 22.

19 Tamworth Regional Council, *Submission 16*, Attachments 1 and 2.

20 Mr Maguire, *Committee Hansard*, 10 March 2005, p. 3.

21 Mr Botfield, *Committee Hansard*, 29 June 2005, p. 43.

Chudleigh's adverse finding regarding the first submission was 'the knock back we had to have'.²²

8.19 The Committee's examination of the proposals indicated that there were indeed differences between the two proposals, especially with regard to the financial aspects.

8.20 Whether the two proposals could be considered 'substantially the same' is largely a subjective judgement. Nevertheless, given the differences between them, it would be difficult to sustain an argument that the different Commonwealth Government decisions taken by the Minister on the two proposals were taken solely on the grounds of (perceived) political advantage. This is not to conclude, however, that political considerations were entirely absent from the decisions.

The local member's role

8.21 The member for New England (Mr Windsor) apparently took a leading role over several years in the development of the AELC proposal.²³ He informed the Committee that he was involved in obtaining a grant from the NSW Government and that he took an active role in the establishment of the working parties that eventually were successful in obtaining the Commonwealth grant for the AELC.²⁴ Mr Windsor claimed that he was removed from close involvement in the project after 30 July 2004, prior to the grant being made by the Commonwealth Government, and that his removal was one of the political preconditions 'that were being applied to the funding submission'.²⁵

8.22 Mr Windsor told the House of Representatives on 17 November 2004 that Mr Maguire had said at a meeting with Mr Windsor, Mr Stephen Hall (Mr Windsor's campaign manager) and Ms Helen Tickle (Mr Windsor's campaign secretary) on 19 May 2004 that:

Mr Anderson said that if I tried to get any credit for the funding of the Australian Equine and Livestock Centre the funding would not take place; Mr Anderson was also concerned about my continued association with the Australian Equine and Livestock Centre, given my political position;²⁶

22 Mr Botfield, *Committee Hansard*, 29 June 2005, p. 42.

23 See, for example, Mr Maguire, Press Release of 23 November 2004, p. 2, attached to Mr Maguire, *Submission 43*.

24 Mr Windsor MP, *Committee Hansard*, 3 February, p. 34.

25 Mr Windsor MP, *Submission 15*, p.4.

26 Mr Windsor MP, *House of Representatives Hansard*, 17 November 2004, p. 152.

8.23 Ms Tickle informed the Committee that, at the meeting, 'Discussions took place regarding the strategies and conditions of the proposed announcement'.²⁷ When asked to elaborate on that statement Ms Tickle said that:

...I cannot hang off exactly every word, but it was, yes for Tony to stand aside, not to be part of it, not to be part of the announcement. It is no secret. There was no mention made of all the hard work that Mr Windsor and others had put in behind the scenes towards the project. It was clearly something the Nationals wanted to have and to be seen as providing all of this money for in the lead-up to the federal election – in the lead-up to trying to regain a seat which they had lost three years prior.²⁸

8.24 In his evidence Mr Hall stated that he did 'not recall it being discussed at the meeting by either Tony Windsor or Greg Maguire the he needed to step down from the equine centre board',²⁹ but he said that, 'Greg Maguire told Tony Windsor that the application for funding the centre was proceeding but John Anderson had told him that he was concerned that if he approved the funding that Tony Windsor would take the credit and limelight for the funding'.³⁰

8.25 Councillor Treloar was asked if anyone had suggested that the equine centre would have a greater chance of attracting funding if Mr Windsor was not associated with the project. He responded as follows:

I have heard that assumption but I do not think that I was ever told that by anyone. I have read it in different places but I certainly was not told it by anybody. The ACC never told me that.³¹

Mr Windsor's 'removal' from the second working group

8.26 Mr Windsor was a member of the second working group³² but he had little involvement in the process of producing the successful submission made for an RP grant in August 2004. Mr Windsor claims that he was removed from the working group after July 2004 at the behest of Mr Anderson. He told the Committee that:

I was informed by the chairman [Mr Maguire] that there was some disquiet from the minister over my involvement on the board. Having assumed that I would have been removed after the 19 May meeting – and I had not been – Mr Maguire told him I was not on it. That is when I was informed: 'Sorry, mate, I had to remove you'.³³

27 Ms Tickle, *Submission 5*, p. 2.

28 Ms Tickle, *Committee Hansard*, 3 February 2005, p. 67.

29 Mr Hall, *Committee Hansard*, 3 February 2005, p. 91.

30 Mr Hall, *Submission 15*, p. 2.

31 Mayor Treloar, *Committee Hansard*, 29 June 2005, p. 19.

32 Ms Thomson, *Committee Hansard*, 29 June 2005, p. 68.

33 Mr Windsor MP, *Committee Hansard*, 3 February 2005, p. 52.

8.27 Mr Windsor submitted that he did not resign from the Working Party as had been reported. He informed the Committee that:

The last Board meeting I attended was on July 30.

I was informed by Greg Maguire in a subsequent conversation that Mr Anderson went feral when he discovered I was still involved in the process having previously raised concerns at their May meeting.

According to Greg Maguire he informed John Anderson that I was no longer on the Board.

Greg Maguire then told me, 'Mate, I had to remove you'. My 'removal' was part of the political preconditions that were being applied to the funding submission.³⁴

8.28 Mr Maguire stated in evidence that, 'There was no suggestion that the Centre would not be funded under the Regional Partnerships Program if Mr Windsor was associated with it'.³⁵ With regard to Mr Windsor's 'removal' from the Working Group, Mr Maguire informed the Committee that:

One of these specific matters is that Mr Windsor had resigned from the board of the Australian Equine and Livestock Centre because the Deputy Prime Minister had made it a condition of funding for the centre that he do so. This is untrue, as I personally was responsible for asking Mr Windsor to resign from the board. I discussed the matter with Mr Windsor, and he agreed to step down from the board.

I had a similar discussion with the other politician on the board, the Independent state member for Tamworth, Mr Peter Draper. He also agreed to stand down from the Board. In neither case did I tell them, nor was it a requirement, that they must not be associated with the centre in order for it to receive funding at either the federal or state level. My reason was that it seemed to me to be better not to have Independent members of state or federal parliament on the board when we were seeking funding from a state Labor government on the one hand and a Liberal-National coalition on the other.

Accordingly, I did not remove Mr Windsor from the board, in circumstances alleged by him or at all. In fact, I did not have the power to remove him from the board.³⁶

Conclusion

8.29 There is no uncontested evidence that Minister Anderson, or anyone else in a position to do so, had made it a condition of the grant that Mr Windsor be removed from the process less he take credit for the grant. However, there was a perception among at least some of the people involved in seeking an RP grant for the AELC that

34 Mr Windsor MP, *Submission 15*, p. 4.

35 Mr Maguire, *Committee Hansard*, 10 March 2005, p. 2.

36 Mr Maguire, *Committee Hansard*, 10 March, pp 2-3.

Mr Windsor's involvement would not be helpful. This perception was no doubt encouraged by remarks such as that attributed to Mr Anderson at the meeting of 22 February 2002 that, 'Political grandstanding was not the way to go'. It is possible that this perception may have been Mr Maguire's motive for 'removing' Mr Windsor from the second working party.

The inducement allegations

8.30 In an article published in a Sunday newspaper on 19 September 2004 Mr Windsor was reported as saying that he had been offered an inducement not to stand for the seat of New England by an intermediary acting on behalf of two political players.³⁷ The allegation was subsequently reported widely in the media during the federal election campaign.

8.31 Following the initial media stories, the Opposition referred the allegation to the Australian Electoral Commission (AEC). On 21 September 2004, the AEC referred the matter to the Australian Federal Police (AFP) for investigation.

The meeting of 19 May 2004

8.32 Mr Windsor did not identify the 'intermediary' or the 'two political players' as Mr Maguire, Minister Anderson and Senator Sandy Macdonald respectively until the new Parliament met in November 2004.

8.33 On 27 November, Mr Windsor stated in the House of Representatives that:

...Mr Maguire indicated that he had spent four to five hours the night before [18 May 2004] in the company of the Deputy Prime Minister, John Anderson, and National Party senator Sandy Macdonald and a black-haired woman whose name he did not recall...Mr Anderson asked Mr Maguire to meet with me and give me some messages...Mr Anderson said that if I tried to get any credit for the funding of the Australian Equine and Livestock Centre the funding would not take place; Mr Anderson was also concerned about my continued association with the Australian Equine and Livestock Centre, given my political position; Mr Anderson and Senator Macdonald asked Mr Maguire what it would take to get me to not stand for re-election and indicated that there could be another career for me outside politics, such as a diplomatic post or a trade appointment, if I did not stand for the seat of New England. Senator Macdonald said, 'Offer him whatever it takes, we can deliver.' One of them also said, 'The government makes about 500 political appointments, it can be done.'³⁸

8.34 Mr Anderson responded to those allegations later that day in the House of Representatives, as follows:

37 Mr Tony Windsor MP, *Submission 15*, p. 5.

38 Mr Tony Windsor MP, *House of Representatives Hansard*, 17 November 2004, p.152.

...I completely repudiate the member for New England's allegations of improper inducements were offered indirectly by Senator Macdonald and me earlier this year. I would make the first point that there was no meeting on 18 May; I was in Queensland, in Bundaberg, on the evening of the 18th. I have on three or four occasions met Mr Maguire. In total I doubt that I have spent four or five hours with him. But I want to make it very plain that, at those meetings, neither I nor Senator Macdonald gave him any indication or authorisation to suggest to the member for New England...any indication of any nature whatsoever that he might be offered some inducement in return for not running for the seat of New England. I cannot know what representations might have been made at the meeting that apparently took place on 19 May, but I can know that he had no authority whatsoever – implied, nuanced or whatever – from me or from Senator Macdonald to stand aside in return for some inducement.³⁹

8.35 Senator Sandy Macdonald responded to the allegations in a letter to the Committee, in which he stated:

I repudiate any claims of my involvement in an alleged 'bribery' inducement for Mr Tony Windsor MP to vacate the seat of New England. I have not and would not offer Mr Windsor any inducement to step down from his seat.⁴⁰

8.36 Mr Maguire also denied the allegations both in public statements and when he appeared before this Committee.⁴¹

8.37 The AFP released a statement to the media on 22 November 2004 in which it stated that it had finalised its investigation and had sent evidentiary material to the Commonwealth Director of Public Prosecutions (CDPP) for advice in relation to whether a prima facie case could be substantiated in relation to the allegation. The AFP reported that the CDPP had concluded as follows:

...none of the versions of the conversations related by any of the witnesses can amount to an 'offer to give or confer' a benefit. Further there is no evidence in the material of Mr Maguire having conspired with any other person to make an offer to Mr Windsor.⁴²

8.38 The AFP stated that it had assessed the information provided by the CDPP and had finalised its investigations as a result of that assessment.⁴³

8.39 Mr Windsor made a further statement in the House of Representatives on 29 November 2004 in which he alleged that Mr Maguire had made a number of abusive

39 Mr Anderson MP, *House of Representatives Hansard*, 17 November 2004, p. 158.

40 Senator Macdonald, correspondence, 7 March 2005, p. 1.

41 See, for example, Mr Maguire, Press release dated 23 November 2004 and *Committee Hansard*, 10 March 2005, p. 16.

42 Australian Federal Police Media Statement, 22 November 2004.

43 Australian Federal Police Media Statement, 22 November 2004.

phone calls on 20 September, well before Mr Windsor mentioned his name in Parliament, thus showing that Mr Maguire had recognised himself as the intermediary. Mr Windsor said that a few days after 20 September Mr Maguire had told him that Mr Anderson had rung him and asked that he tell Mr Windsor '...to pull back...this is bigger than all of us'.⁴⁴ In that speech Mr Windsor supported the establishment of a parliamentary committee inquiry at which, he said, 'the people who were witnesses to the various events...are quite willing to present their evidence and to be cross-examined'.⁴⁵ The Committee learnt during its inquiry that those witnesses included Mr Windsor's campaign manager, Mr Stephen Hall, and his campaign secretary, Ms Helen Tickle.

8.40 Mr Windsor's allegations were considered in depth during the Committee's inquiry. Mr Windsor, Mr Hall, Ms Tickle and Mr Maguire made submissions and gave oral evidence. Also, as mentioned earlier, Senator Sandy Macdonald wrote to the Committee.

8.41 With regard to the meeting on 19 May 2004, it is clear from the evidence that Mr Maguire used words to the effect that Mr Windsor could be offered a government position if he chose not to stand for re-election, or if he chose to join a party of the coalition government.⁴⁶ It is not clear, however, that the statement was made at the behest of Mr Anderson and Senator Macdonald.

8.42 As reported earlier, Mr Windsor stated in the House of Representatives and in evidence⁴⁷ that Mr Maguire had stated (or indicated) that he was delivering a message from Mr Anderson and Senator Macdonald. Mr Maguire denied that in his evidence to the Committee. Neither of the other witnesses to the conversation, Mr Hall nor Ms Tickle, was able to state that they heard Mr Maguire link Mr Anderson's or Senator Macdonald's names directly to the alleged inducement. The following exchange between Ms Tickle and Senator Murray is relevant:

Senator Murray – So I am left with this summary. You are saying to the committee that the statement of yours that at this point in the conversation Greg then relayed, 'They would offer you anything – a diplomatic posting or anything' to stand aside is an accurate recollection –

Ms Tickle – I recall him saying that.

Senator Murray – But you do not recall him saying that Mr Anderson and Senator Macdonald had asked him to say that.

Ms Tickle – I do not recall that.⁴⁸

44 Mr Windsor MP, *House of Representatives Hansard*, 29 November 2004, p. 85.

45 Mr Windsor MP, *House of Representatives Hansard*, 29 November 2004, p. 85.

46 See, for example, Mr Maguire, *Submission 43*, pp 3-4.

47 See, for example, Mr Windsor MP, *Committee Hansard*, 3 February 2005, p. 32.

48 *Committee Hansard*, 3 February 2005, p. 72.

8.43 Mr Hall agreed in response to a question from the Committee that his submission, as it related to Mr Maguire's words at the meeting of 19 May, did not include the words that Mr Anderson and Senator Macdonald 'told me to tell you that'.⁴⁹ However, in response to another question, Mr Hall seemed to resile from that statement:

Senator Brown – In the next paragraph, you say:

Tony Windsor said to Greg Maguire...that John Anderson and Sandy Macdonald and the National Party should also know better than to have the proposition put to him.

I gather that it was very clear at the meeting that John Anderson and Sandy Macdonald did put this proposition about a diplomatic posting or otherwise another job through Mr Maguire to Mr Windsor?

Mr Hall – That is what I recall Greg Maguire saying.

Senator Brown – Did you have any doubt about that – that this was coming from Mr Anderson?

Mr Hall – No. After I left the meeting I did believe that Greg Maguire's comments indicated to me that they had been delivered on behalf of a third party. I do believe that the third party was John Anderson and Sandy Macdonald.

Senator Barnett – I missed the answer. Did you say, 'After I left the meeting'?

Mr Hall – Yes, I believed that that was the case.⁵⁰

Meetings and telephone calls after 19 May 2004

8.44 As reported earlier, Mr Windsor stated in the House of Representatives on 29 November 2004 that Mr Maguire had made a number of abusive telephone calls on 20 September, at the time that Mr Windsor was making his allegations in the media. The Committee was told by Mr Windsor during the inquiry that Mr Maguire had made those telephone calls to Mr Hall, not to Mr Windsor.

8.45 In his submission dated 28 January 2005 Mr Hall provided evidence regarding the content of those and other telephone calls, which, he stated, occurred on 20, 22, 27 September and 7 October 2004.⁵¹ Mr Hall reported the conversations in some detail, and quoted verbatim some passages of dialogue between himself and Mr Maguire. Mr Hall informed the Committee that he had not recorded the calls, nor had he taken contemporaneous notes, but that he had made the notes before being interviewed by the AFP. Mr Hall was interviewed by the AFP on 1 and 7 October 2004.⁵² Mr Hall

49 Mr Hall, *Committee Hansard*, 3 February 2005, p. 91.

50 *Committee Hansard*, 3 February 2005, pp 98-99.

51 Mr Hall, *Submission 13*, pp 3-6.

52 Mr Hall, *Committee Hansard*, pp 82, 95.

also gave evidence about meetings he had with Mr Maguire on 21 and 23 September. Mr Windsor also apparently attended the meeting on 23 September.⁵³

8.46 According to Mr Hall's evidence the main matters discussed in these telephone conversations and meetings were:

- (a) Mr Maguire had stated on 20 September that Mr Windsor was going to tell the press about what was described in Mr Hall's evidence as 'Anderson's offer', that it 'would be the end of him' (Maguire) and that 'Anderson will probably pull the funding';⁵⁴
- (b) Mr Maguire had said in a meeting with Mr Hall on 21 September that he had spoken to Mr Anderson after the announcement of the funding for the equine centre earlier that day and that Mr Anderson had asked Mr Maguire to get a message to Mr Windsor 'to back off, as this was bigger than both of them';⁵⁵
- (c) Mr Hall alleged that Mr Maguire had said at the same meeting that he would not be the person to bring down the Deputy Prime Minister of Australia and that he would lie to protect the Deputy Prime Minister, himself and the funding of the equine centre;⁵⁶
- (d) Mr Hall stated that at the meeting on 23 September Mr Maguire had advised Mr Windsor and Mr Hall that Mr Anderson had asked him to tell Mr Windsor to back off as the matter was bigger than both of them;⁵⁷
- (e) Mr Hall also stated that at that meeting Mr Maguire had told him and Mr Windsor that if he were interviewed by the AFP he would lie to protect the Deputy Prime Minister as he would not bring him down and also he needed to protect the funding for the equine centre.⁵⁸
- (f) Mr Hall alleged that in the telephone conversation on 7 October 2004 Mr Maguire had told him that the AFP had interviewed him on 2 October and that he had informed them that it was all a misunderstanding, that the independents and Tony Windsor can't deliver and that Tony Windsor should look for an overseas appointment. Mr Hall further alleged that he had asked Hall to corroborate his story as that was the only way out of it and the easy way for Tony Windsor and John Anderson, and it would protect the funding of the equine centre.

53 Mr Hall, *Submission 13*, pp 3-6.

54 Mr Hall, *Submission 13*, p. 3.

55 Mr Hall, *Submission 13*, p. 4.

56 Mr Hall, *Submission 13*, p. 4.

57 Mr Hall, *Submission 13*, p. 5.

58 Mr Hall, *Submission 13*, p. 5.

Mr Hall alleged that Mr Maguire had stated that if Mr Hall did not support him 'he would finish him'.⁵⁹

8.47 Mr Maguire agreed that he had rung Mr Hall on a number of occasions on or about the dates indicated by Mr Hall.⁶⁰ However, he disputed Mr Hall's version of the content of those calls, and informed the Committee that:

My conversations with Mr Hall were purely along the lines that this was a total destructive approach by Mr Windsor...that they are jeopardising the chance of us getting funding – the publicity would jeopardise everything and it was just not sensible to do that.⁶¹

8.48 Mr Maguire also denied that he had threatened Mr Hall.⁶² Mr Hall informed the Committee that when he was interviewed by Federal Police agents on 7 October, a few hours after his conversation with Mr Maguire, he had not reported the alleged threat.⁶³ In response to questions from the Committee, both Mr Maguire and Mr Hall stated that they were unaware that any such threat would be unlawful.⁶⁴

8.49 The telephone conversations between Mr Maguire and Mr Hall were not witnessed by another party, nor was a recording made, although, as reported above, Mr Hall informed the Committee that he had made notes of the conversations for his interviews with the AFP, which occurred on 1 and 7 October.

8.50 One statement that was allegedly made by Mr Maguire for which there appears to be corroborating evidence was apparently made at the meeting between him, Mr Windsor and Mr Hall on 23 September 2004 at the Powerhouse Hotel in Tamworth. Mr Hall told the Committee that:

Greg Maguire also advised Tony Windsor and myself that if he was interviewed by the Federal Police, that he would lie to protect the Deputy Prime Minister as he would not bring him down and also he needed to protect the funding for the equine centre.⁶⁵

8.51 Mr Windsor was asked about that statement during the hearings and stated that Mr Hall's recollection was accurate.⁶⁶

59 Mr Hall, *Submission 13*, p. 6.

60 Mr Maguire, *Committee Hansard*, 10 March 2005, p. 7.

61 Mr Maguire, *Committee Hansard*, 10 March 2005, p. 8.

62 Mr Maguire, *Committee Hansard*, 10 March 2005, p. 24.

63 Mr Hall, *Committee Hansard*, 3 February 2005, p. 95.

64 Mr Hall, *Committee Hansard*, 3 February 2005, p. 94; Mr Maguire, *Committee Hansard*, 10 March 2005, p. 25.

65 Mr Hall, *Submission 13*, p. 5.

66 Mr Windsor MP, *Committee Hansard*, 3 February 2005, p. 115.

8.52 Mr Maguire not only denied the allegation, but also alleged collusion between Mr Windsor and Mr Hall. The following exchange is relevant:

Senator Carr –...We have had evidence from one witness, corroborated by another witness, that on 21 September, 23 September and 7 October you said that you were prepared to lie to the Federal Police. You are categorically denying that matter?

Mr Maguire – I am. I would like to comment on that. I am being accused of lying by the chairman of Mr Windsor's campaign and by the secretariat of his campaign...Mr Windsor has dug a hole and the only way to get out of it and save Mr Windsor's skin is to accuse or bury me.⁶⁷

8.53 Mr Maguire stated in his submission that he rejected Mr Windsor's and Mr Hall's 'recent expanded recollections about my alleged willingness to lie'.⁶⁸ In his opening statement to the Committee Mr Maguire said:

Mr Windsor's latest attack on me in his evidence to this inquiry, aided and abetted by his campaign manager, Mr Hall, now adds insult to injury, by stating that the bribery allegations against me and the Deputy Prime Minister (now discredited by the Australian Federal Police and the Commonwealth Director of Prosecutions) are matters about which I was supposedly prepared to lie. I deny that allegation. This new allegation was never raised by Mr Windsor in May 2004, nor was it ever put to me by the Australian Federal Police in November 2004, nor was it raised by Mr Windsor in the House of Representatives when he dealt with his claims on a number of occasions in November 2004. Rather, it comes as some sensationalised further revelation when he gives evidence to this Committee in February 2005.⁶⁹

Australian Federal Police investigation

8.54 If it is true that Mr Maguire told two persons that he intended to lie to the police, the investigation conducted by the AFP becomes an issue. Mr Hall and Mr Windsor stated in evidence that Mr Maguire made this statement before any of them was interviewed by the police. It is not known exactly what Mr Windsor said during his interview with the police, but Mr Hall stated in evidence that he was not asked questions about anything that may have occurred after the meeting on 19 May 2004. He told the Committee that the police had asked whether he had discussed the meeting with anyone else. When Mr Hall informed them that he had discussed the meeting with Mr Windsor, Ms Tickle and Mr Maguire, 'that was the end of the discussion'.⁷⁰

8.55 The Committee understands that the AFP did not interview either Mr Anderson or Senator Macdonald. It does not know why, but it is possible that the

67 Mr Maguire, *Committee Hansard*, 10 March 2005, pp 34-35.

68 Mr Maguire, *Submission 43*, p. 4.

69 Mr Maguire, *Committee Hansard*, 10 March 2005, p. 4.

70 Mr Hall, *Committee Hansard*, 3 February 2005, p. 84.

police had satisfied themselves that, in the words of the AFP press release, '... none of the versions of the conversations related by any of the witnesses can amount to an "offer to give or confer" a benefit'⁷¹ and did not investigate any further. There is no evidence to suggest that the police were made aware at any stage of the further allegations made by Mr Windsor and Mr Hall at the Committee's February hearings.

8.56 Mr Windsor was asked why he had stated in the House of Representatives that Mr Anderson and Senator Macdonald may have known the result of the AFP's investigation before it was announced. Mr Windsor was not able to bring forward any evidence to support his contention, but continued to assert that it was possible.⁷²

Credibility of the evidence

8.57 Given the contradictory accounts given in evidence the credibility of the evidence became an issue.

8.58 One matter in particular assumed some significance. In his opening statement to the Committee Mr Maguire stated that his companies had made financial contributions to Mr Windsor's election campaigns over the years.⁷³ Other witnesses acknowledged that Mr Maguire had assisted Mr Windsor with fund raising and with his television campaigns, but that they were not aware of any direct financial contributions.⁷⁴ When Mr Maguire was asked about his statement he responded that he had made financial contributions, but that he was not aware of which of his 37 companies had made the contributions. He agreed to provide the names of his companies to the Committee so that his statement could be checked against the official records of financial contributions made to political parties.⁷⁵ Despite follow-up letters sent by the Committee on 5 April, 12 August and 21 September 2005, Mr Maguire did not provide the information.

8.59 Another matter pertaining to the credibility of Mr Maguire's evidence was his inability to recall when he became aware that Mr Windsor intended to inform the media of Mr Windsor's version of the meeting of 19 May 2004.⁷⁶ This lapse of memory is significant in as much as Mr Windsor claimed that Mr Maguire's self identification as the 'intermediary' demonstrates the truth of the Windsor recollection of the discussion at that meeting.

8.60 There were other issues identified during the hearing that were not explained to the complete satisfaction of the Committee and which go to the credibility of some

71 Australian Federal Police Media Statement, 22 November 2004.

72 Mr Windsor MP, *Committee Hansard*, 3 February 2005, pp 56-57.

73 Mr Maguire, *Committee Hansard*, 10 March 2005, p. 4.

74 See, for example, Mr Hall, *Committee Hansard*, 3 February 2005, p. 90.

75 Mr Maguire, *Committee Hansard*, 10 March 2005, p. 49.

76 *Committee Hansard*, 10 March 2005, pp 45-49.

of the evidence given by Mr Windsor, Mr Hall and Ms Tickle. The issues include the categorical statements of those witnesses that the meeting between Mr Anderson, Senator Macdonald and Mr Maguire had occurred on 18 May, when it in fact occurred some days earlier. Another issue is that Mr Windsor did not mention Mr Maguire's alleged intention to lie to the Federal Police publicly until the Committee's hearings in February 2005, despite its relevance to Mr Windsor's case for an inquiry. A further question that could be raised in that regard is why, given that Mr Maguire is alleged to have made that statement a month before the police investigation, neither Mr Windsor nor Mr Hall seem to have reported it to the police. Finally, why did not Mr Hall report the alleged threat made by Mr Maguire to the police when the police interviewed him later the same day?

Conclusions

8.61 The alleged inducement made to Mr Windsor is relevant to the inquiry because it arose in the context of an allegation that a precondition for the grant to the Australian Livestock and Equine Centre was that Mr Windsor was not associated with the submission and that he did not receive credit for the grant.

8.62 The evidence taken by the Committee is disputed among the witnesses and is confused in a number of respects. For example, Mr Windsor and his associates recall that in the relevant meeting on 19 May 2004 Mr Maguire said (or 'indicated') that he had come from a meeting of four or five hours duration the night before with Mr Anderson and Senator Macdonald. That meeting apparently took place on the night of 13 May and lasted for 90 minutes or so. Mr Windsor has stated that at the meeting on 19 May Mr Maguire had represented himself as bearing messages from Mr Anderson. Mr Maguire has denied that claim and neither Mr Hall nor Ms Tickle heard Mr Maguire say that he was carrying messages from Mr Anderson or Senator Macdonald.

8.63 On the other hand, there was evidence given the Committee that Mr Maguire had made statements to Mr Windsor and to Mr Hall to the effect that he would lie to the Federal Police so as not bring the Deputy Prime Minister down and to protect the funding of the equine centre. Mr Maguire denied making the statements, queried why the allegation had not been made until the time of the hearings and alleged collusion between Mr Hall and Mr Windsor. However, both Mr Windsor and Mr Hall agreed on this point.

8.64 Both Minister Anderson and Senator Macdonald were invited to appear before the Committee to respond to the allegations made against them. However, Minister Anderson did not respond to the Committee's invitation and Senator Macdonald declined in writing. Mr Anderson and Senator Macdonald have both denied that Mr Maguire was authorised or given any indication that he could make an offer of an inducement to Mr Windsor, although neither could know what was said at the meeting on 19 May 2004. Mr Anderson made his denial in the House. Senator Macdonald made his denial in a letter to the Committee.

8.65 Without compelling and incontrovertible evidence, a committee of the Senate cannot make an adverse finding against a senator who has denied the allegations made against him. In the case of the alleged inducement, the evidence is not sufficient for this Committee to depart from that principle.

The National Centre of Science, Information and Communication Technology, and Mathematics Education for Rural and Regional Australia

8.66 On 24 June 2004 the Parliamentary Secretary to the Minister for Transport and Regional Services (Mrs Kelly) approved a Regional Partnerships grant of \$4.950 million for the University of New England (UNE) to establish a National Centre of Science, Information and Communication Technology, and Mathematics Education for Rural and Regional Australia (SiMERR). The grant was processed under the program's SONA procedures.⁷⁷

8.67 According to a background paper published by the UNE's Faculty of Education, Health and Professional Studies, 'The primary aim of the SiMERR National Centre is to create a national focus to improve the quality of rural and regional students' learning by encouraging and supporting professional development of pre-service and in-service primary and secondary teachers, in the areas of science, ICT and mathematics'.⁷⁸

8.68 In the following paragraphs, the Committee reports on the administration of the grant and on the allegations made by Mr Windsor that political preconditions were attached to the grant.

Time taken to process the grant

8.69 The application for a RP grant for SiMERR was processed in a remarkably short time compared with most other grants. Data submitted by DOTARS show that the application for the grant was lodged with DOTARS on 15 June 2004, and the grant was approved nine days later, on 24 June 2004.

8.70 Ms Riggs informed the Committee that once the application had been lodged the Minister had asked the department to expedite its advice.⁷⁹ The Committee asked Ms Riggs the reason for the haste, and was told that:

...my understanding is that the university was making representations...that it wished formally to be able to get the centre off the ground as early as

77 DOTARS, Revised RPP Tables, received 11 May 2005, p. 8.

78 The University of New England, Faculty of Education, Health and Professional Studies, The National Centre of Science, Information and Communication Technology, and Mathematics Education for Rural and Regional Australia (SiMERR): background, Executive Summary, p. 1.

79 Ms Riggs, *Committee Hansard*, 2 February 2005, p. 59.

possible in the 2004-05 financial year, and that was rapidly approaching at the time they lodged their application.⁸⁰

8.71 Professor Pegg, one of the main proponents of the project stated that he was keen to establish the centre, and informed the Committee that originally he had hoped that it could begin operations on 1 January 2004.⁸¹ Professor Pegg had told Mr Anderson and Mr McGauran in 2003 that the centre could begin operation on that date.⁸²

8.72 A comment made by Professor Pegg regarding a meeting on 6 September 2003 with Mr Anderson and Mr McGauran demonstrates that the Minister took a close personal interest in the project:

Mr Anderson was particularly receptive as he was receiving a growing list of concerns from people from throughout rural Australia and was experiencing situations at first hand through his own children.⁸³

8.73 Mr Anderson continued to take a close interest in the project for some time because, in addition to the meeting in September 2003 reported above, he met informally with the proponents on three occasions in May 2004.⁸⁴ There was a final, formal meeting on 26 May, after which the application was expeditiously progressed with DOTARS.

SONA procedures

8.74 The application was processed by DOTARS under the SONA procedures because, according to the department, 'This was a project that went way beyond the area of one area consultative committee. ... It was genuinely a national project'.⁸⁵

8.75 As discussed earlier in this report, DOTARS explained the SONA provisions of the RPP as follows:

...SONA is a set of procedures that still requires that the project meets the broad terms of the guidelines about the assessment criteria in terms of outcomes, partnership support, and the project and applicant viability.⁸⁶

8.76 The question as to whether the SiMERR project did in fact meet the 'broad terms of the guidelines' was pursued with the proponents. The following exchange is relevant:

80 Ms Riggs, *Committee Hansard*, 2 February 2005, p. 60.

81 Professor Pegg, *Committee Hansard*, 28 June 2005, p. 17.

82 Professor Pegg, *Committee Hansard*, 28 June 2005, p. 3.

83 Professor Pegg, *Committee Hansard*, 28 June 2005, p. 3.

84 Professor Pegg, answer to question on notice, 25 July 2005, p. 1.

85 Ms Riggs, *Committee Hansard*, 2 February 2005, p. 59.

86 Ms Riggs, *Committee Hansard*, 2 February 2005, p. 91.

Prof. Minichiello - ...We put in an application. We believed it was an appropriate application. We believed Regional Partnerships was an appropriate avenue...

Senator O'Brien - ...I wanted to know what you had done in terms of looking at the actual guidelines to see if they fitted, because they are published on the web site. They have been the subject of our consideration. You were talking to the Deputy Prime Minister about the program, and your evidence was just then that you were sure it fitted the program.

Prof. Minichiello – In my mind I was sure.

Senator O'Brien – But you had never looked at the guidelines.

Prof. Minichiello – I had looked at the guidelines. You cannot help but look at the guidelines, because they are part of the application.⁸⁷

Processing by the department

8.77 Unlike most proposals for RP funding the application for the SiMERR grant was initially lodged with and processed directly in DOTARS national office, rather than first being assessed by an ACC.⁸⁸ The process of applying for the grant began in May 2004 at a meeting attended by Mr Anderson, the proponents, departmental officers and a senior adviser from the office of the Minister for Education, Science and Technology. Professor Pegg told the Committee that:

After this meeting the proposal that had been the basis of talks for the past few years was reconfigured to meet with the DOTARS application process. This work took over a month to complete and went through numerous modifications.⁸⁹

8.78 The application, having in effect been produced in collaboration between the national office of DOTARS and the proponents, was sent by DOTARS to NENWACC for advice on 21 June 2004.⁹⁰ The then Executive Officer of NENWACC, Ms Rebel Thomson, informed the Committee that:

The application came from the department. As part of its processes, if an application is submitted bypassing the ACC there is a mechanism within the system that automatically sends it to the ACC for comment. So I would presume that is how it came back to us.⁹¹

8.79 Ms Riggs stated that, 'We followed our usual processes. As soon as the application was lodged we provided it to the ACC. Then in light of the request that we

87 Senator O'Brien and Professor Minichiello, *Committee Hansard*, 28 June 2005, pp 10-11.

88 Professor Pegg, *Committee Hansard*, 28 June 2005, p. 16.

89 Professor Pegg, *Committee Hansard*, 28 June 2005, p. 3.

90 Ms Thomson, *Committee Hansard*, 29 June 2005, p. 75.

91 Ms Thomson, *Committee Hansard*, 29 June 2005, p. 75.

expedite it...we asked the ACC to expedite its consultation'.⁹² As reported earlier, the application was lodged on 15 June 2004. NENWACC received it on 21 June and was given only 24 hours to respond.⁹³ Mr Kevin Humphries, Chairman of NENWACC, told the Committee that:

We were asked to make comment on it. My response to that request was, 'We are not going to assess it because it is physically impossible to do so'. Rebel [Ms Thomson] sent an email around the board asking them to make comment. We did and I added further comment. It was a very interesting project, because it really should have been referred to Regional Partnerships at a much earlier stage and was not.⁹⁴

8.80 The Committee shares Mr Humphries concerns about the failure to adhere to proper process. Mr Humphries told the Committee:

Again, it is about the process not being followed properly and people not using the proper processes through which government funding may be procured. I think a lot of what you are potentially dealing with is the back end of what goes on with those projects, when in fact some of the problems that we have had to unravel have been caused at the front end, by people not using the proper process.⁹⁵

Regional Partnerships - an appropriate program?

8.81 Because SiMERR is a facility within a university and is concerned with teaching and research, it seems logical that if it were to receive Commonwealth funding, that funding should be allocated from moneys appropriated for education. That issue was raised with the proponents and with DOTARS.

8.82 Professor Pegg informed the Committee that in mid-2003 he met with a senior adviser from the office of the Minister for Education, Science and Technology who stated that the idea was critical to rural and regional areas but that there was no current Department of Education, Science and Training (DEST) program from which the project could be funded.⁹⁶ The professor then spoke with Senator Macdonald and Mr Anderson about alternative sources of funds, which led to an application being made to the Regional Partnerships Program. Minister Anderson called for the establishment of SiMERR at the national conference of the National Party that was held in October 2003.⁹⁷

92 Ms Riggs, *Committee Hansard*, 2 February 2005, p. 59.

93 Mr Humphries, *Committee Hansard*, 29 June 2005, p. 76.

94 Mr Humphries, *Committee Hansard*, 29 June 2005, p. 70.

95 Mr Humphries, *Committee Hansard*, 29 June 2005, pp 70-71.

96 Professor Pegg, *Committee Hansard*, 28 June 2005, p. 3

97 The Nationals, 'Anderson calls for Better Maths and Science Training', media release, 12 October 2003.

8.83 Ms Riggs was asked why the project had been funded through the RP program rather than from an education program, and responded as follows:

My understanding is that there was some consideration between offices. Issues to do with the construct of programs within the Department of Education, Science and Training made this a less good fit for those programs than perhaps it would be for Regional Partnerships on this occasion.⁹⁸

8.84 The Committee considers this explanation inadequate.

Conclusion

8.85 The Committee cannot know precisely the reasons for the haste with which this project was processed or why, possibly as a result of haste, the usual processes for the administration of RP grants was not rigorously followed. Nor can the Committee know with certainty why Commonwealth Government funds were granted from the RP program rather than from an education program. It is mindful, however, that RP grants are made at the discretion of the Minister, who apparently took a personal interest, and that this grant was made to the UNE in a seat that the National Party wanted to regain from an Independent member.

Mr Windsor's allegations

The advertisements

8.86 Mr Windsor's concerns about the grant arise from advertisements printed in the local newspapers on 23 and 24 July 2004. A double page spread in the papers included a half-page advertisement paid for by the UNE, which advertised the courses available from SiMERR, a half page advertisement for the National's candidate for the seat of New England, and two half pages of 'advertorial' linking SiMERR and the Nationals. Evidence to the Committee indicated that Mr Jim Booth from Senator Macdonald's office wrote the 'advertorial' and The Nationals paid to place it.⁹⁹ The 'advertorial' included extensive quotes by Professors Pegg and Minichiello taken from another publication, while the advertisement for The Nationals candidate included effusive quotes by the professors. These quotes were taken from the same publication in which they had thanked the National Party for its role in obtaining the grant.¹⁰⁰

Comment on the advertisements

8.87 Mr Windsor's comment regarding the advertisements was as follows:

Having been – and I still am – a member of the University of New England Council I was quite distressed about that, as were some others. Some very

98 Ms Riggs, *Committee Hansard*, 2 February 2005, p. 60.

99 *Committee Hansard*, 28 June 2005, pp 18-22.

100 *The Northern Daily Leader*, 24 July 2005, pp 32-33.

well-meaning staff of the university had been pressured to give favourable comment on this particular grant and had been advised not to mention the local member, even though I had meetings with the proponents during what was called a 'Vision New England' summit that I organised...But there was definitely pressure applied to those staff. The university council carried out an investigation, and there is some commentary in the submission in relation to that, and found that there had been a breach of protocol and that university staff were not to show any favouritism in the political arena. It was an example where pressure was applied to individuals for a political reward for the granting of a Regional Partnerships grant.¹⁰¹

8.88 The 'commentary' in Mr Windsor's submission was as follows:

The funding of \$4.95 million from the Regional Partnerships Program to the National Centre for Maths and Science at the University of New England is another example which was investigated by the University of New England Council and found to be at fault in the politicisation of the funding for the University by the National Party.¹⁰²

8.89 Professors Pegg and Minichiello denied the allegation that the funding for the centre was ever tied to or dependent upon providing support for The Nationals.¹⁰³ Professor Minichiello stated that, 'At no stage was there any discussion that funding was dependent on endorsing a political candidate or that the project would be funded on any criteria other than its significance, aims innovation and merit'.¹⁰⁴ He stated that there was no implication or hint of such an arrangement.¹⁰⁵

8.90 Senator Sandy Macdonald and Mr Trevor Khan, the National Party candidate for New England at the 2004 election, also denied the allegations.¹⁰⁶ Senator Macdonald informed the Committee that:

At no time were any conditions placed on the funding for the project that staff at the University of New England must provide favourable comment of the Australian Government. At no time were staff from the University 'bullied' into advertising the centre. These allegations are completely without foundation.¹⁰⁷

8.91 During the inquiry Mr Windsor was asked directly whether the university council had found that it was a condition of the grant that political comment be made. He responded that:

101 Mr Windsor MP, *Committee Hansard*, 3 February 2005, p.11.

102 Mr Windsor MP, *Submission 15*, p.3.

103 Professors Pegg and Minichiello, *Submission 52*, p. 1.

104 Professor Minichiello, *Committee Hansard*, 28 June 2005, pp 4-5.

105 Professor Minichiello, *Committee Hansard*, 28 June 2005, p. 29.

106 Mr Khan, *Submission 42*, p.6.

107 Senator Macdonald, correspondence, 7 March 2005, p. 3.

Essentially, I am asking the committee to look at that process. I am not pretending to know everything that happened and who met whom, but it seems to me that in terms of granting the grant there were some political conditions applied to that grant and pressures applied to have favourable commentary made by the university in an advertorial that was promoting the National Party.¹⁰⁸

8.92 Regarding the university council meeting to which Mr Windsor referred, Professor Minichiello commented that Mr Windsor had made a statement in the media (an allegation of 'cash for comment') and had then put the item on the agenda for council. Professor Minichiello stated as follows:

We [Professors Minichiello and Pegg] wrote jointly to the chancellor, John Cassidy, to put forward our interpretation of the events to provide social justice – the right of reply. The chancellor never responded to our letter. The council met in Sydney. A discussion took place... There was no conflict of interest declared. The federal member was allowed to lead the discussion. Richard Torbay, the state Independent member, also participated in the discussion. The rationale they provided was that they were protecting the interests of the university. From my perspective, if, as council members, they were protecting the interests of the university they would have first raised the issue at council and then gone public. But they went public and then went to council.¹⁰⁹

Conclusion

8.93 The National Party obviously sought to obtain political advantage from the grant by way of advertisements that were carried in the local newspapers at the time of the centre's official opening. The university did not act appropriately in having its SiMERR advertisement appear with a party political advertisement, and the professors were probably unwise not to have objected to having their names linked to the party political advertisement.

8.94 However, there is no evidence to support Mr Windsor's allegation about 'cash for comment'. Those involved in securing the SiMERR grant who gave evidence have denied the allegation that the grant was made on the condition that the proponents would publicly support The Nationals. Mr Windsor himself stated that he did not know who met whom and who said what to whom; he merely asked that the Committee investigate the allegation.

Grace Munro Aged Care Centre

8.95 This facility situated in the NSW town of Bundarra in the electoral division of New England received a grant of \$100,000 from the Regional Solutions program, a precursor of the RPP.

108 Mr Windsor MP, *Committee Hansard*, 3 February 2005, p.13.

109 *Committee Hansard*, 28 June 2005, p. 5 (in camera, excerpt agreed for citation).

Mr Windsor's allegations

8.96 Mr Windsor has alleged that Senator Sandy Macdonald deliberately attempted to coerce and threaten a Council into removing the right of the duly elected member to communicate with his constituents.¹¹⁰ Specifically, he alleged that Senator Macdonald had prevailed on the Council not to show Mr Windsor's name on a commemorative plaque, and had attempted to prevent his joining the official party at the opening ceremony on 4 December 2004. Mr Windsor argues that these actions were 'a quite deliberate attempt to remove the member from carrying out his duly elected duties and to pressure others not to include him'.¹¹¹

The official opening

8.97 When the construction of the Grace Munro Centre was nearing completion the Uralla Shire Council invited the Commonwealth Government Ministers for Aged Care and Transport and Regional Services to the official opening. The ministers were unable to attend, and nominated Senator Sandy Macdonald to represent them.

8.98 The Uralla Council sent a copy of the draft wording for the plaque to commemorate the official opening of the Grace Munro Centre to Senator Macdonald on 10 November 2004. The draft included Mr Windsor's name, which Senator Macdonald's office requested be removed. Senator Macdonald informed the Committee that he had been asked to open the centre on behalf of the Australian Government, and that he understood that it was appropriate protocol that only his name should be placed on the opening plaque.¹¹²

8.99 On 23 November the Council sent a copy of the draft program for the opening to Senator Macdonald. The senator responded by telephone on 25 November, advising that he would not share a podium with Mr Windsor. According to the General Manager of the Uralla Shire, Mr Robert Fulcher, Senator Macdonald stated that he was offended that Mr Windsor had chosen to make allegations concerning him under parliamentary privilege and that Mr Windsor could be a guest at the function, but could not be on the official party nor speak.¹¹³

8.100 Following discussions with the senator, with Mr Windsor and with the Independent state Member of Parliament, the Mayor of the Uralla Shire invited Mr Windsor to join the official party and to speak at the opening.¹¹⁴ Senator Macdonald

110 Mr Windsor MP, *Submission 15*, Attachment C, p. 1.

111 Mr Windsor MP, *Committee Hansard*, 3 February 2005, p. 53.

112 Senator Macdonald, correspondence, 7 March 2005.

113 Mr Robert Fulcher, *Statutory Declaration dated 15 December 2004*, p. 2, included in Mr Windsor MP, *Submission 15*, Attachment C.

114 Councillor Filmer, Mayor of the Uralla Shire, media release, 30 November 2004, included in Mr Windsor MP, *Submission 15*, Attachment C.

accepted the situation and informed the Committee that, 'The official opening took place with appropriate courtesy and good manners.'¹¹⁵

Issues

8.101 Mr Windsor raised this matter for the Committee's consideration under subparagraph (1) (h) of the terms of reference, namely:

(h) the constitutionality, legality and propriety of any practices whereby any members of either House of Parliament are excluded from committees, boards or other bodies involved in the consideration of proposed projects, or coerced or threatened in an effort of prevent them from freely communicating with their constituents.

8.102 The evidence shows that Senator Macdonald attempted to influence the Uralla Council to exclude Mr Windsor from the official party and from speaking at the official opening. The Committee believes the attempt to exclude a local elected representative from the opening was inappropriate. There is no evidence, however, that the senator attempted to coerce or threaten the Council in the normal meaning of those words, although he did have 'some robust political conversations' with the General Manager and the Mayor, 'but they were nothing more, nothing less'.¹¹⁶ When the Council nevertheless decided to invite Mr Windsor, the senator accepted that decision and participated in the opening.

8.103 If Senator Macdonald's 'robust political conversations' were intended 'to prevent [Mr Windsor] from freely communicating with his constituents' they were unsuccessful, because it appears the Uralla Council was the final arbitrator in the matter, and Mr Windsor received some good publicity in the local press.

8.104 The Committee suggests that if Mr Windsor remains of the view that an attempt was made to interfere with his rights and duties as a Member of Parliament, there are appropriate procedures of the House of Representatives to address his concerns.

115 Senator Macdonald, correspondence, 7 March 2005, p. 2.

116 Senator Macdonald, correspondence, 7 March 2005, p. 2.

