


A HISTORY OF MISCONDUCT: THE CASE FOR A FEDERAL ICAC


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COMMISSIONED BY GETUP

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FOREWARD:

Trust in government has never been so low. This crisis in public confidence is driven by the widespread perception that politics is corrupt and politicians and public servants have failed to be held accountable.

This report identifies the political scandals of the last six years and the failure of our elected leaders to properly investigate this misconduct.

In 1984, customs officers discovered a teddy bear in the luggage of Federal Government minister Mick Young and his wife. It had not been declared on the Minister's customs declaration. Young [stepped aside as a minister](#) while an investigation into the "Paddington Bear Affair" took place.

That was during the prime ministership of Bob Hawke. Under John Howard's leadership, seven ministers stood down over travel rorts and conflicts of interest in less than a year. Since then standards have plunged, bringing widespread calls for a Commonwealth Integrity Commission (CIC).

Now, far more serious scandals routinely engulf government ministers and MPs: Energy Minister Angus Taylor and the Watergate scandal last year, the Paladin and Hello World affairs, a slew of travel rorts and political donations conflicts, all of which have profoundly undermined public confidence in government.

The plethora of political scandals has now reached a crescendo with the recent SportsRorts scandal

and other misuse of public money involving government grants. At the direction of a minister, public money was targeted at voters in marginal electorates just before a Federal Election, potentially affecting the course of government in Australia.

This cheating on an industrial scale reflects a political culture which is evolving dangerously. The weapons of the state are deployed against journalists reporting on politics, and whistleblowers in the public service - while at the same time we lack adequate mechanisms to render the legislative and executive branch of government accountable for their actions.

This report is not the first which lays out the need for a federal integrity or anti-corruption body. A [2018 Grattan Institute analysis](#) of access and influence in Australian politics called for a federal body to investigate potential misconduct or corruption, publish findings, and refer any corrupt activity to the Commonwealth Director of Public Prosecutions.

FOREWARD CONTINUED:

The relentless incidence of political scandals, as laid out in this report, has led to two proposals for an Integrity Commission: a Liberal Party proposal by Attorney-General Christian Porter and a proposal by the Greens which has received support from Labor and the crossbench in the Senate.

The Porter proposal has been criticised for its lack of proper funding, a two-tiered system which treats politicians and bureaucrats differently, and for its lack of public hearings and ability to publish public findings. Holding secret hearings, which Porter has defended as protecting peoples' reputations, defeats the purpose of an integrity commission and would only perpetuate public cynicism.

The Greens' National Integrity Commission bill proposed by Senator Larissa Waters, is far more robust but even with the support of a majority in the Senate (comprising the cross-bench, Labor and Greens), it is destined to fail in the Lower House against the Government's majority.

Even so, the Porter proposal is no sure thing. One Queensland LNP MP, Llew O'Brien, has even [threatened to cross the floor](#) and vote against the Porter bill if the Attorney-General does not deliver a CIC proposal "with teeth".

This report outlines numerous instances of ministerial and party misconduct which strengthen arguments in favour of a robust federal anti-corruption watchdog. The report also analyses the two proposals in accordance with their merits, noting that while the Labor party has publicly supported an Integrity Commission since the beginning of 2018, it is yet to provide a proposal.

MICHAEL WEST

Michael spent two decades working as a journalist, stockbroker, editor and finance commentator before striking out on his own in July 2016.

After eight years as a commentator with The Australian and another eight years with the Sydney Morning Herald as a journalist and editor, Michael founded this website to focus on journalism of high public interest.

West is a Walkley-award winner and Adjunct Professor at the University of Sydney's School of Social and Political Sciences.



MISCONDUCT:

In Resources, Water and Land Management

01

JOSH FRYDENBERG, ANGUS TAYLOR

YEAR:

2017

PARTY:

Liberal Party of Australia



POSITIONS (AT THE TIME):

Frydenberg: Minister for Resources, Energy and Northern Australia from 21.9.2015 to 19.7.2016 and Minister for the Environment and Energy from 19.7.2016 to 28.8.2018.

Taylor: Assistant Minister for Cities and Digital Transformation 18.2.2016 to 20.12.2017

ALLEGATION:

An adviser in Josh Frydenberg's office [allegedly](#) explored whether a certain grassland species could be removed from the critically endangered list at the Minister's discretion. This was undertaken on behalf of one of Angus Taylor's staffers.

Taylor sought to water down federal protections

for critically endangered grasslands. This was subsequent to a company called Jam Lands, jointly owned by Taylor and his brother, being investigated for spraying herbicide onto 30 hectares of land prior to it being turned into pasture. The request was denied. This is an example of a questionable process.

RESPONSE:

In 2017, state and federal investigations were underway into whether Jam Land Pty Ltd illegally poisoned 30 hectares of land containing native temperate grasses – considered an endangered ecological community under federal environment laws – in the Monaro region.

NO OUTCOME.

02 BARNABY JOYCE



YEAR: 2016 **PARTY:** The Nationals

POSITIONS (AT THE TIME):

Minister for Agriculture, Water Resources and Northern Australia from 21.9.2015 to 27.10.2017.

ALLEGATION:

[Barnaby Joyce](#) decided to move the Australian Pesticides and Veterinary Medicines Authority (APVMA) from Canberra to his electorate of Armidale. Only a minority of its specialist staff subsequently expressed a desire to move to his New England electorate, thus depriving the agency - which assesses the use of agricultural,

horticultural and household chemicals before they can be used in Australia - of many of its experts.

More than 110 staff have since left the APVMA. There has been conjecture about why a cost-benefit analysis of the relocation has not been publicly released, amid long delays building new premises for the APVMA.

RESPONSE:

NO INQUIRY LAUNCHED.

03 BARNABY JOYCE



YEAR: 2017 **PARTY:** The Nationals

POSITIONS (AT THE TIME):

Minister for Agriculture, Water Resources and Northern Australia from 21.9.2015 to 27.10.2017 and Deputy Prime Minister from 18.2.2016 to 27.10.2017.

ALLEGATION:

Nationals politician Barnaby Joyce was involved with a [water buyback program](#) in 2017 which raised concerns about a lack of transparency and the awarding of overly generous water payments to political allies and party donors. The \$80 million transactions at the centre of allegations involved cotton corporation Tandou, owned by Webster Ltd which is controlled by

interests associated with Liberal Party ally Chris Corrigan.

Rather than going to open tender, the deal was allegedly put forward by then-head of the NSW Office of Water, Gavin Hanlon, who sought the water to help the state achieve its environmental targets. There are significant questions about whether the water purchased was reliable and whether Tandou received too much public money in the transaction.

RESPONSE:

Coalition referred the matter to the Auditor-General.

04 ANGUS TAYLOR



YEAR :

2017

PARTY :

Liberal Party of Australia

POSITIONS (AT THE TIME) :

Assistant Minister for Cities and Digital Transformation from 18.2.2016 to 20.12.2017

ALLEGATION :

In 2007, [Taylor](#) co-founded Eastern Australia Agriculture (EAA). EAA owned two cotton-growing properties, Kia Ora and Clyde, in the St George region of Queensland. Taylor has asserted his [involvement in the company ceased](#) in 2013, together with his involvement in its Caymans parent, Eastern Australian Irrigation (EAI). In 2017 the government, under the water minister Barnaby Joyce, bought unreliable overland flow water attached to the two properties for \$80 million. EAA transferred the proceeds to its parent company in the Cayman Islands EAI. EAI was also co-founded by Angus Taylor in 2007.

EAA was awarded [\\$79 million](#) in public money for its Overflow Water, which many claimed was worthless, during the 2017 water buyback program. Dubbed #Watergate in the media, the affair raised concerns about secrecy, the use of tax havens and exorbitant prices paid to foreign-controlled companies for their Australian water rights. EAA's proposal to sell water rights had twice been rejected by the Federal Government prior to the controversial deal. Then Assistant Minister for Cities and Digital Transformation Angus Taylor had been a director of both EAA and the founder of EAA's parent company in the Cayman Islands, Eastern Australia Irrigation (EAI).

RESPONSE :

Coalition referred the matter to the Auditor-General.

05 MALCOLM TURNBULL, JOSH FRYDENBERG



YEAR :

2018

PARTY :

Liberal Party of Australia

POSITIONS (AT THE TIME) :

Turnbull: Prime Minister from 15.9.2015 to 24.8.2018.

Frydenberg: Minister for the Environment and Energy from 19.7.2016 to 28.8.2018 and Treasurer from 28.8.2018.

ALLEGATION :

A [\\$444 million federal grant](#) was awarded to the Great Barrier Reef Foundation (GBRF), which had previously been a \$10 million entity set up by corporate interests including executives of multinational fossil fuel companies.

There was a concerning lack of consultation about vesting this money to the GBRF, with meetings taking place without the involvement of Department of Environment and Energy bureaucrats. GBRF managing director Anna Marsden, GBRF chair Dr John Schubert (ex-Esso), then-prime minister Malcolm Turnbull and then-environment minister Josh Frydenberg were the principal players in the negotiation.

RESPONSE :

Senate Inquiry. The Inquiry [called](#) for the partnership to conclude and GBRF to return unspent money. **That has not happened.**

MISCONDUCT RELATED TO:

Undisclosed conflicts of interest

06 **STUART ROBERT**



YEAR:

2010-12

PARTY:

Liberal National Party of QLD

POSITIONS (AT THE TIME):

Shadow Parliamentary Secretary for Defence from 8.12.2009 to 14.9.2010.

Shadow Minister for Defence, Science, Technology and Personnel from 14.9.2010 to 18.9.2013

ALLEGATION:

An adviser in Josh Frydenberg's office allegedly Stuart Robert's father Alan and mother Dorothy were found to be directors of IT services business, GMT Group, [at a time](#) when Robert claims to have "ceased involvement" in GMT. Robert said he had severed his involvement with

GMT before the 2010 election. However, Robert International, the trust company for Stuart Robert's family trust, allegedly held shares in GMT until December 2011.

According to Fairfax Media, GMT companies won 356 government contracts worth more than \$37 million from more than 45 government agencies, including the Department of Foreign Affairs and Trade, Department of Veteran's Affairs and CrimTrac. Robert was part of the federal foreign affairs, trade and defence committee while many of these contracts were awarded.

RESPONSE:

[ASIC](#) made initial inquiries but **did not proceed to a formal investigation.**

07 FIONA NASH



YEAR:

2014

PARTY:

The Nationals

POSITIONS (AT THE TIME):

Assistant Minister for Health from 18.9.2013 to 21.9.2015

ALLEGATION:

[Demonstrating](#) undue influence over the parliamentary process, Assistant Health Minister Fiona Nash's chief-of-staff, Alastair Furnival, insisted a website be shut down that gave ratings to food based on their health attributes. Furnival is married to a lobbyist for the junk food sector, Tracey Cain. She is the only director of

Australian Public Affairs, which represents the Australian Beverages Council and Mondelez Australia, whose brands include Kraft peanut butter, Cadbury and Oreo. Furnival was previously [chair](#) of Australian Public Affairs and still held shares in the company when acting as Nash's chief of staff.

RESPONSE:

NO INQUIRY LAUNCHED.

08 STUART ROBERT



YEAR:

2016

PARTY:

Liberal National Party of QLD

POSITIONS (AT THE TIME):

Minister for Veterans' Affairs from 21.9.2015 to 18.2.2016.

Minister Assisting the Prime Minister for the Centenary of ANZAC from 21.9.2015 to 18.2.2016.

Minister for Human Services from 21.9.2015 to 18.2.2016.

ALLEGATION:

Robert was ousted from then-prime minister Malcolm Turnbull's ministry after he went on a [private trip](#) to Beijing to oversee a mining deal that involved a major Liberal donor and a Chinese vice-minister. Robert had a shareholding

in Metallum Holdings, which had an interest in Nimrod Resources, led by a major Liberal Party donor, Paul Marks. A media release from China MinMetals Corporation claimed Robert congratulated the business on behalf of the Department of Defence. Robert said when he travelled to Beijing he didn't think he had an interest in Marks' company. Robert allegedly breached parliamentary standards which ban ministers from acting as consultants.

RESPONSE:

Internal investigation. Roberts was sacked as minister.

09 BOB DAY



YEAR:

2016-17

PARTY:

Family First Party

POSITIONS (AT THE TIME):

Elected to the Senate for South Australia 2013. Re-elected 2016. Resigned 1.11.2016. (disqualified 5.4.2017 under section 44 (v) of the Constitution; ruled ineligible from 26.2.2017).

ALLEGATION:

Family First senator Bob Day's [lease](#) of his Adelaide electoral office was found to be in breach of the constitution after it emerged he had a financial interest in the building in which the office was located. Day sold the building

under the condition the office he wished to use within it was leased back to the Commonwealth. He could have used another Adelaide CBD office over which the government already had a lease. Day eventually resigned over an unrelated matter after his construction business, Home Australia Pty Ltd, failed.

RESPONSE:

Day resigned from the Senate.

10 BRUCE BILLSON



YEAR:

2019

PARTY:

Liberal Party of Australia

POSITIONS (AT THE TIME):

Cabinet Minister from 18.9.2013 to 21.9.2015

ALLEGATION:

Former Liberal minister Bruce Billson [accepted](#) a \$75,000 job with the Franchise Council of Australia while still a member of Parliament. He was appointed to be a director of the organisation in the months before retiring from parliament. Neither role was disclosed to Parliament's register of interests.

RESPONSE:

NO INQUIRY LAUNCHED.

POTENTIAL MISCONDUCT:

In lobbying activities

11

MARTIN FERGUSON



YEAR:

2013

PARTY:

Australian Labor Party

POSITIONS (AT THE TIME):

Elected to the House of Representatives for Batman, Victoria, 1996. Re-elected 1998, 2001, 2004, 2007 and 2010. Retired prior to general elections 2013.

Minister for Resources and Energy from 3.12.2007 to 25.3.2013

ALLEGATION:

Following Ferguson's tenure as Minister for Resources, concluding in 2013, he took a number of positions within the Australian fossil fuel lobby. Positions include:

Non-Executive Board Member, British Gas in "late" 2013. In 2010, while Minister for Resources and Energy, [Ferguson approved BG's \\$20 billion Curtis LNG/CSG export project](#) in Queensland. See Manning (2014).

See also:

<http://www.questevents.com.au/australian-domestic-gas-outlook-2017/speakers>;

<http://insight.thomsonreuters.com.au/posts/martin-ferguson-steps-out-of-labors-shadow>.

Chairman, [Advisory Council](#), APPEA (2013. APPEA, the Australian Petroleum Producers and Exploration Association, is the peak lobby group for the oil and gas industry in Australia. Ferguson took up this position six months after retiring as a minister. The lobbying code of conduct requires an 18-month cooling-off period for ex-ministers, which was clearly not enforced in Ferguson's case. See Manning (2014).

Non-executive Director, Seven Group Holdings & BG Group. [Ferguson](#) became head of natural resources for Seven Group Holdings (SGH), which he also took up six months after retiring as a minister. Seven Group Holdings is the parent company of Seven West Media. This connection provides SGH with a valuable media platform to promote its activities. See Manning (2014).

RESPONSE:

NO INQUIRY LAUNCHED.

12

ANDREW ROBB



YEAR:

2016

PARTY:

Liberal Party of Australia

POSITIONS (AT THE TIME):

Minister for Trade and Investment from 18.9.2013 to 18.2.2016

ALLEGATION:

Former trade minister Andrew Robb [accepted](#) an \$880,000-a-year salary with Chinese billionaire Ye Cheng's Landbridge Group immediately following his resignation from Parliament. The Landbridge group had been granted a 99-year lease on Port Darwin in 2015 during his time as trade minister. It was reported that Robb had [accepted](#) the

\$73,000 per month position before [leaving](#) Parliament. Another Robb entity, the [Boathouse Group](#), is facing (in mid 2019) a wind-up motion from the Commissioner of Taxation over unpaid taxes.

RESPONSE:

NO INQUIRY LAUNCHED.

13

CHRISTOPHER PYNE



YEAR:

2019

PARTY:

Liberal Party of Australia

POSITIONS (AT THE TIME):

Minister for Defence from 28.8.2018 to 29.5.2019.

ALLEGATION:

Nine days after retiring from politics in 2019, former federal Minister for Defence [Christopher Pyne](#) took a role with professional services group EY to develop its defence consulting business. Australia is currently rolling out a number of large defence contracts, including a \$50 billion submarine project, whose end value is estimated

at \$225 billion, and a \$35 billion frigate project. Defence spending has risen to record levels under the present government. EY has made assertions to a senate inquiry it does not require Pyne to assist it to win defence projects.

RESPONSE:

Senate inquiry and ministerial standards probe launched. No outcome.

MISCONDUCT RELATED TO:

Inappropriate use of transport

14

BRONWYN BISHOP



YEAR:

2013

PARTY:

Liberal Party of Australia

POSITIONS (AT THE TIME):

Speaker of the House of Representatives from 12.11.2013 to 2.8.2015.

Speaker of the House of Representatives from 12.11.2013 to 2.8.2015.

ALLEGATION:

Former MP Bronwyn Bishop's [use](#) of a helicopter,

costing \$5,000, to travel from Melbourne to Geelong.

RESPONSE:

Inquiry launched. MPs "[warned not to use helicopters](#)".

15

PETER DUTTON, MATHIAS CORMANN



YEAR:

2018

PARTY:

Dutton: Liberal National Party of Qld
Cormann: Liberal Party of Australia

POSITIONS (AT THE TIME):

Dutton: Minister for Immigration and Border Protection from 23.12.2014 to 28.8.2018 and Minister for Home Affairs from 20.12.2017.

Cormann: Acting Prime Minister from 21.2.2018 to 26.2.2018 and Minister for Finance and the Public Service from 28.8.2018 to 29.5.2019.

ALLEGATION:

After the 2018 leadership spill, Peter Dutton and

Matthias Cormann took RAAF flights, costing \$60,000 to [attend](#) then-new prime minister Scott Morrison's swearing-in ceremony – even though commercial carriers regularly service these routes and parliamentary rules stipulate politicians should take commercial flights where possible. Cormann claimed no flights by commercial carriers were available.

RESPONSE:

NO INQUIRY LAUNCHED.

POLITICAL DONATION SCANDALS:

16

PETA CREDLIN, PAUL NICOLAOU

YEAR:

2011-2013

PARTY:

Liberal Party of Australia



POSITIONS (AT THE TIME):

Credlin: Tony Abbott's Chief of Staff

Nicolaou: Liberal Fundraiser

ALLEGATION:

Between 2011 and 2013, building materials and property development firm Brickworks [allegedly](#) gave hundreds of thousands of dollars to the Liberal party, some of which was funnelled through an entity called Free Enterprise Foundation. An email exchange released by

NSW ICAC between Liberal staffer Peter Credlin, Brickworks' MD Lindsay Partridge and former Liberal party chief fundraiser Paul Nicolaou, notes Partridge's support for the party and opposition to the carbon tax. Brickworks subsequently featured in the Coalition's campaign against the carbon tax.

RESPONSE:

Investigation by NSW ICAC.

NO OUTCOME,

17

KEVIN ANDREWS



YEAR:

2013

PARTY:

Liberal Party of Australia

POSITIONS (AT THE TIME):

Minister for Social Services from 18.9.2013 to 23.12.2014.

ALLEGATION:

Andrews [received](#) a \$20,000 donation from Clubs NSW, via Victoria's Menzies 200 Club. This occurred while Andrews was devising the Coalition's poker machines policy before the 2013 election. The donation made by Clubs NSW

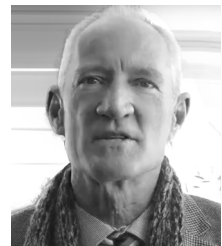
nominated the Victorian Liberal Party as the recipient, which blurred the link to Mr Andrews.

RESPONSE:

NO INQUIRY LAUNCHED.

18

STEVE DICKSON



YEAR:

2018

PARTY:

Pauline Hanson's One Nation

POSITIONS (AT THE TIME):

Leader of Pauline Hanson's One Nation in Queensland 23/1/2017 – 30/4/ 2019

ALLEGATION:

One Nation's [involvement](#) with the National Rifle Association (NRA) is an example of questionable political donations. In 2018 during the lead up to the 2019 federal election, news outlet Al Jazeera shot hidden camera footage that captured former Queensland One Nation leader

Steve Dickson and his chief of staff James Ashby meeting with NRA members to talk about millions of dollars in potential political donations. Dickson subsequently resigned.

RESPONSE:

NO INQUIRY.

FOREIGN INFLUENCE:

On the political process

19 SAM DASTYARI



YEAR:

2013-16

PARTY:

Australian Labor Party

POSITIONS (AT THE TIME):

Chosen by the Parliament of New South Wales on 21.8.2013. Elected to the Senate for New South Wales 2016. Resigned 25.1.2018.

ALLEGATION:

In 2016, former Senator [Sam Dastyari](#) supported China's position over the South China Sea at a press conference at which Chinese national Huang Xiangmo stood next to him. Dastyari's statements were in conflict with Steven Conroy's and the ALP's position. It's understood Xiangmo cancelled a \$400,000 donation to the ALP in light of Conroy's remarks. Also, after Sam Dastyari's expenses exceeded his electoral budget, an education provider Top Education Institute, which has links to the Chinese government,

repaid the Commonwealth the difference between his budgeted allocation and his actual expenses.

In 2013, Dastyari was also [involved](#) in a \$200,000 donation by Peter Chen, the only local director of tobacco company ATA International, to the federal Labor parties through another of his companies, WeiWah. This business sells Chinese-branded cigarettes ATA imports. Former Senator Sam Dastyari was involved in the donation. The ALP banned tobacco donations in 2004.

RESPONSE:

No inquiry, Dastyari [quit](#) the Senate in 2017 over Chinese connection

20 TONY ABBOTT



YEAR:

2013

PARTY:

Liberal Party of Australia

POSITIONS (AT THE TIME):

Prime Minister from 18.9.2013 to 15.9.2015

ALLEGATION:

In 2016, staffers from Tony Abbott's prime minister's office [allegedly](#) encouraged Chinese property developer Huang Xiangmo to make political donations after ASIC asked the major political parties not to accept donations from Chinese nationals. Subsequently, chair of the

parliamentary joint committee on intelligence and security, Andrew Hastie, asked the Western Australian Liberal party to return \$10,000 donated by Chaoshan Pty Ltd, a company controlled by Huang Xiangmo. Huang made \$140,000 in donations to the Liberal Party and \$85,000 to the Labor party before the 2016 election.

RESPONSE:

NO INQUIRY LAUNCHED.

ALLEGEDLY FRAUDULENT PRACTICES

21

**MICHAEL MCCORMACK,
BRIDGET MCKENZIE,
SUSSAN LEY,
ANDREW BROAD.**



YEAR :

2013

PARTY :

**McCormack: The Nationals
McKenzie: The Nationals
Ley: Liberal Party of Australia
Broad: The Nationals**

POSITIONS (AT THE TIME) :

McCormack: Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development

McKenzie: Minister for Agriculture, Drought and Emergency Management

Ley: Minister for the Environment

Broad: Elected to the House of Representatives for Mallee, Victoria, 2013. Re-elected 2016. Retired at the expiration of term 2019

ALLEGATION :

Functioning similarly to the #SportsRorts scandal, [Regional Growth Fund](#) (RGF) grants were used to secure marginal seats held by the Coalition in the 2019 federal election. The RGF was announced as part of the [2017-18 budget](#) with grants of \$10 million or more for major transformational

projects to “create jobs in regions, including those undergoing structural adjustment”. A staggering \$272 million of grants were awarded — with 89% of them (16 grants worth a total \$248 million) awarded just ahead of the election. Of that \$248 million, Coalition seats snagged \$234 million. Marginal seats got a strong allocation with \$134 million corralled by the marginal seats of Dawson; Pearce; Casey; Braddon; Capricornia; Herbert; Cowper; Page and Gilmore. A joint [ministerial media release](#) of 28 October 2018, announced the 16 projects to proceed to the next stage. As it turned out, 16 projects were announced in the lead-up to the election with a final two projects announced six months post-election.

The ministers named on the press rerelease were:

RESPONSE :

NO INQUIRY LAUNCHED.

22 ANGUS TAYLOR



YEAR :

2013

PARTY :

Liberal Party of Australia

POSITIONS (AT THE TIME):

Minister for Energy and Emissions Reduction from 29.5.2019

ALLEGATION :

The Office of Energy Minister, Angus Taylor, has been accused of forging a Sydney City Council document.

The information, which had been doctored, relates to the Council's travel expenses, which Taylor's office claimed were \$15 million in the 2017/2018 financial year, a figure which suggests

the Council is a significant greenhouse gas emitter. The Council provided evidence to deny this claim.

More recently, the Australian Federal Police has [declined](#) to investigate the matter further given a lack of evidence and its position this matter constituted a low level of harm.

RESPONSE :

INQUIRY LAUNCHED.
NO OUTCOME.

23 BRIDGET MCKENZIE



YEAR :

2019

PARTY :

The Nationals

POSITIONS (AT THE TIME):

Minister for Agriculture from 29.5.2019 to 2.2.2020

ALLEGATION :

In January 2020, McKenzie was widely accused of [pork-barrelling](#) after a report by the [Commonwealth auditor-general](#) found that a \$100 million sports grant program which she oversaw in the lead-up to the [2019 Australian federal election](#) was administered in a way that "was not informed by an appropriate assessment process and sound advice". The auditor general's report noted that it was not clear what the legal

authority for the particular allocation of grants was.

A disproportionately high percentage of funds were allocated to sporting clubs in marginal Coalition electorates.

RESPONSE :

An [investigation by the Department of Prime Minister and Cabinet](#) found Senator Bridget McKenzie breached ministerial standards by failing to disclose her [membership of a gun club that received almost \\$36,000 from a controversial sports grants program](#) she oversaw.

McKenzie resigned from her ministership and as deputy leader of The Nationals.

24 MICHAEL MCCORMACK

YEAR :

2019

PARTY :

The Nationals



POSITIONS (AT THE TIME):

Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development

ALLEGATION :

The deputy prime minister, Michael McCormack, struck a pre-election deal with an unregistered political lobbyist and former Howard Government adviser, Andrew Gibbs, for a [\\$2.6 million airport upgrade](#) ahead of the launch of the [Regional Airports Program](#) (RAP). The \$100 million airports program was announced in the 2019-20 Budget, just ahead of the election. That pre-

election budget also delivered \$192.5 million in community sports initiatives and infrastructure grants (aka #sportsorts); an additional \$206.2 million in [Building Better Regions](#) funding (a program referred by the [Labor opposition to the Auditor-General](#) for investigation); and additional funding for [Community Development Grants](#) bringing total funding for that program to \$496.2 million.

RESPONSE :

NO INQUIRY LAUNCHED

CURRENT CORRUPTION WATCHDOG PROPOSALS

There are two proposals for a Federal corruption watchdog which are before Parliament. Labor has abstained from proposing a Federal corruption watchdog but supports a National Integrity Commission in principle, and has voted in support of the Greens proposal.

01 COALITION PROPOSED CORRUPTION WATCHDOG:

Attorney-General Christian Porter introduced the 'Commonwealth Integrity Commission' bill in December 2018.

The Coalition's proposed reform would comprise of a "centralised, specialist centre for the investigation of corruption in the public sector." It would be an independent statutory agency, being led by a commissioner and two deputy commissioners. According to the proposed reform, the CIC will comprise:

"A law enforcement integrity division – this will have the same functions and powers as the current Australian Commission for Law Enforcement Integrity, but with a broader jurisdiction

A public sector integrity division – this will investigate alleged criminal corruption involving government departments and their staff, parliamentarians and their staff, the staff of federal judicial officers, and in appropriate circumstances, recipients of Commonwealth funds."

02 GREEN'S PROPOSED CORRUPTION WATCHDOG:

The Greens Party has been proposing a 'National Integrity Commission' bill since 2010. The bill proposes to establish a Federal Anti-Corruption Commission that will "hold politicians and public servants to account, and to stop big corporations and the super-rich from buying the political outcomes that favour them".

The Commission would consist of:

-
- A National Integrity Commissioner
 - A Law Enforcement Integrity Commissioner
 - An Independent Parliamentary Adviser

In September 2019, Larissa Waters re-introduced this bill to the Senate and it passed 35-32 with the support of Labor and the minor parties.

KEY DIFFERENCES

01 PUBLIC HEARINGS

The Senate-backed bill would require accused Ministers to appear in public hearings.

The Coalition's proposed reform would not require Ministers to appear in public hearings. The Commission would confine public hearings to those serving in public sector institutions that exercise coercive powers e.g. ACCC, AFP, ATO.

Public hearings are crucial in corruption investigations. Public hearings ensure investigations are conducted in a fair manner with full transparency. They also encourage witnesses to come forward with new evidence, educate the public and community about corruption and misconduct and improve both the integrity of the public sector and trust within the public sector.

02 PUBLIC FINDINGS

The Coalition proposed reform "will not be able to make findings of corruption, criminal conduct or misconduct at large," keeping the powers within the courts to make findings on criminal conduct. The proposal makes no mention of reporting to the public on the outcomes of any investigations. A lack of public finding published would mean the commission would lack basic accountability and not be able to reassure the public that corruption is being investigated or taken seriously.

The Senate-backed bill would require the commissioner to publicly report on the investigation and the findings of the misconduct allegation.

03 FUNDING

The Coalition proposed commission would be underfunded, operating at a budget of \$30 million. This would supposedly fund both the new public sector integrity division as well as a division to investigate corruption in law enforcement agencies. The latter task is currently undertaken by the Australian Commission for Law Enforcement Integrity (ACLEI), which runs at a budget of \$12 million a year, leaving only \$18 million to run the public sector division.

A recent review of the Coalition's proposed bill estimated the cost of a functioning commission at \$47 million a year.

[The Greens' 2019 election policy](#) states that its proposal for a federal anti-corruption commission has been costed by the Parliamentary Budget Office (PBO) at \$75.6m over the forward estimates.

KEY DIFFERENCES

04 SCOPE AND POWERS

The scope of the Coalition proposed reform is limited. It would only be able to investigate conduct that is likely to be a criminal offence. It would not be able to investigate other forms of misconduct e.g. related party transactions, expense misconduct.

It would also limit corruption investigations into the public sector to instances referred by the federal police or the head of the agency, excluding public complaints and information from lower-level public officials, journalists and whistleblowers. This would severely limit the commission's effectiveness as it would disallow those who have witnessed or heard about corruption directly from divulging information on it.

This is in contrast to the senate-backed 'National Integrity Commission Bill'. The federal ICAC proposed by the Greens would be able to investigate a wide range of misconduct; from political donations to third-party influence. Other functions of this Federal ICAC would be to:

- Give advice and assistance in relation to promoting integrity and reduce the likelihood of the occurrence of corrupt conduct.
- Educate and disseminate information to combat corrupt conduct; Lead and support the preparation of strategies for corruption prevention, national and international coordination of anti-corruption efforts, and develop and implement a National Integrity and Anti-Corruption Plan;
- Investigate and conduct public inquiries into corruption issues;
- Refer certain corruption issues to other agencies for investigation, or managing, overseeing or reviewing such investigations;
- Prepare reports and make recommendations about legislative or other action relating to integrity and corruption.

The Greens bill would also include a whistleblower protection commission. The Whistleblower Protection Commissioner has functions including:

- (a) receiving and investigating disclosures of wrongdoing; and
- (b) providing advice, assistance, guidance and support to persons and agencies relating to the making of disclosures of wrongdoing.

CONCLUSION

This report finds that the Greens proposed and Senate backed Federal ICAC would provide more robust measures by which to investigate potential misconduct. The ability to hold public hearings, publish public findings and receive misconduct allegations from a multitude of sources is paramount.

Some believe an inadequate federal ICAC, as proposed by the Coalition, would be worse than none at all. These beliefs stem from a fear that once some sort of policy is passed, it would close the political window for this issue to be tackled in Parliament.

Given this, it is clear that public awareness of the long history of corruption within our political system is critical, both to pressure the Coalition to adopt a Federal ICAC and to ensure they adopt one that has appropriate measure to restore faith back into our political system.