

## Democracy v. the Beast

*Her appeal was simply that she represented something authentic in a culture of artefact. She was transparent in an era during which the political class have become expert at concealment. She was a still point in a culture of spin. She advanced our politics even if it was only to the extent of showing us what we might be up against if we chose to get involved as she did. Maybe others will learn from her mistakes*

**Webdiarist Dr Tim Dunlop, an opponent of Pauline Hanson's policies**

*I do not believe that the real life of this nation is to be found either in the great luxury hotels and the petty gossip of so-called fashionable suburbs, or in the officialdom of organised masses. It is to be found in the homes of people who are nameless and unadvertised and who, whatever their individual religious conviction or dogma, see in their children their greatest contribution to the immortality of their race*

**Robert Menzies, 'The Forgotten People', from *The Forgotten People* radio broadcasts, 1942**

Last year a woman named Pauline approached me at a café in Marrickville and thanked me for a talk I'd given on refugees at the Marrickville town hall. She sat down for a chat and mentioned that she and her sister in Wollongong

had long been at loggerheads over the boat people. Now they were in dispute over the recent jailing of Pauline Hanson – to her dismay, her sister believed that Pauline Hanson should not have gone to jail. For her sister, Ms Hanson represented the little people, who had virtually no influence in society and whose voice the politicians did not hear.

The women's family had grown up dirt poor in a housing commission house in Wollongong, and Pauline said she'd always voted Labor because no kid should have to endure such a deprived childhood. She was gay and had left her church when it refused to accept you could be gay and Catholic. But after attending the refugee meeting, Pauline – an alternative dispute resolution officer – had wanted to help the cause and approached the priest at Marrickville's Catholic church. He had invited her to join the church, and she became involved in its refugee activism.

How could her own sister feel such anger at refugees, Pauline asked in wonder. How? I asked why her sister supported Pauline Hanson. She had recently separated from her husband, Pauline said, and one of her sons had been a drug addict. She was desperate for help but there was none. Pauline Hanson had provided the scream she needed.

That scream wasn't really about refugees – but that's the part you wanted to hear, John.

These two sisters seemed loving and compassionate women; the kind of Australians you'd reckon would instinctively open the door and help someone less fortunate than themselves if and when the crunch came. They

Of course I will be called racist, but if I can invite whom I want into my home, then I should have the right to have a say on who comes into my country.

**Pauline Hanson's maiden speech, 10 September 1996**

We will decide who comes to this country, and the circumstances in which they come.

**John Howard unveils his unofficial election slogan, October 2001**

were both, in their own way, lamenting the lack of justice for the world's strugglers. To me it was easy to see them working together instead of turning their backs on each other or simply agreeing not to talk about politics.

A memory flashed into my head, and I suddenly understood its meaning. During Pauline Hanson's Queensland campaign in 1998, in a shopping centre in Mareeba, a far north Queensland town economically devastated by the closure of its timber mills, an Aboriginal man of about 50, wearing an Akubra, diffidently shook her hand. 'Thank you, Pauline,' he said. 'I'm with you.' I asked him if he knew what he'd done: that Pauline Hanson was against funding for special Aboriginal services to address their disadvantage. 'I know, but ATSIC is real corrupt, and nothing gets to us here. She's promised to stop that.'

Pauline Hanson's core appeal was never about race. Sure, she attracted racists to her cause. Sure, she made

I was told I was part of a [Liberal Party] team, and the trouble is I'm too much of an individual and I tend to speak my mind at times. If I really believe in something I will speak up. So I'm quite happy now to be that individual, and I can have my own voice now.

**Independent Member for Oxley Pauline Hanson, 17 March 1996, on why the Queensland Liberals disendorsed her – a decision Howard backed**

I come here not as a polished politician but as a woman who has had her fair share of life's knocks . . . I won the seat of Oxley largely on an issue that has resulted in me being called a racist.

**Pauline Hanson's maiden speech, 10 September 1996**

In a sense, a pall of censorship on certain issues has been lifted . . . I welcome the fact that people can now talk about certain things without living in fear of being branded a racist.

**John Howard, to the Queensland Liberal Party, 22 September 1996**

repellent statements about 'Aboriginal states', and framed some ugly policies on immigration – policies Howard later ran with for all he was worth. But these were just the surface symptoms, not the underlying disease. What Hanson and her supporters suffered from wasn't a disease anyway, but a very rude case of democratic good health.

Hanson's scream mattered because it was authentic and timely. Her mobilisation of the disaffected, most of whom had

never been involved in politics before, saw the resurrection of the passionate town hall political meeting. These people – like Bob Brown and the Greens – were frustrated with the loaded Big Party rules and wanted some honest answers, *now*.

Hanson's catchcry – 'Please explain' – was heartfelt.

The government was terrified by that virulent outbreak of grassroots democracy. In the beginning John Howard hoped that if he stroked it, it would be soothed. Then he thought he could get away with only treating the superficial manifestations.

Every time Hanson's voters screamed about a social issue, Howard sought not to explain or even engage – but to appease. Then, after One Nation devastated the conservative vote at the 1998 Queensland election anyway, he knew he had to do more to hold the battlers' vote he'd so assiduously cultivated. Soon after, a young Howard protégé named Tony Abbott signalled a shift in tactics when he wrote that 'the only viable Coalition strategy is to find ways of undermining support for the Hansonites'.

Yet five years, many more policy thefts and a lot of 'undermining' later, and even after Pauline Hanson had been disgraced and jailed, her supporters were *still* screaming at John Howard – and this time they were joined by a hell of a lot of Australians who couldn't stand most of her policies. A Brisbane poll on the weekend following Hanson's successful appeal against her conviction in November 2003 revealed that nearly one in three Queenslanders would have given her their primary vote in an immediate election.

What about smug progressives like me?

When Hanson first arrived on the scene I was among the many who thought that if the media ignored her, her scream would soon die out. Next, we overreacted to her growing popularity, helping stoke bitter divisions over issues such as race and immigration – the ones that would drive the Mar-rickville alternative dispute resolution officer and her sister apart – while ignoring what lay behind that scream as wilfully as the conservatives. These were mistakes I still regret today, for into the mainstream vacuum that greeted her 1996 election to Parliament as a representative of the people of Oxley stepped the worst kind of exploiters: those who heard in her scream only political opportunity.

Dick Morris, former spin doctor to President Clinton, says in his book *The New Prince: Machiavelli Updated for the 21st Century* ‘The media play the key role in bringing the private pains and needs of real people to public attention.’ This role, along with its corollary – to scrutinise the powerful to ensure they are telling the people the truth – is the reason the media have a privileged role in a democracy. The Hanson phenomenon exposed it as unfulfilled.

Eight years later we’re still not bringing the private pains and needs of those who once supported Hanson to public attention, and we’re still not scrutinising the powerful to ensure they are telling the truth. Not by a long shot.

The scream was always about money, power and democratic exclusion, John.

If this government wants to be fair dinkum, then it must stop kow-towing to financial markets, international organisations, world bankers, investment companies and big business people.

**Pauline Hanson, 10 September 1996**

So far the Trust has raised nearly \$100,000, almost all of which is committed to supporting the action brought by Mrs Barbara Hazelton in the Queensland Supreme Court to test the validity of the Queensland registration of One Nation – which may not have been brought but for the Trust.

**Tony Abbott explains the purpose of a new trust to the Australian Electoral Commission, 20 October 1998**

Pauline Hanson's political career represented the first people's revolt against what both Labor and Liberal governments were doing to our core Australian value: the fair go.

A fair share in our growing national wealth.

A fair say in the way we shape our collective future.

A fair degree of access to power and privilege.

A fair shot at a decent job, a decent home and decent health care.

And – one of Hanson's key messages never taken up by the media – a fair education for our kids.

A fair bloody go, John.

Hanson's scream was never an articulate or informed one, but it was loud, real and made on behalf of many of Australia's powerless and disfranchised, and unlike many

such screams it was expressed in the *right* way: using our democratic institutions. That's what made it so frightening to *all* the elites – Labor and Liberal, left and right, progressive and conservative – and Big Party, Big Money and Big Media. Pauline Hanson was screaming at the three-headed Beast of Australian power not from some wacky fringe, but from right at its heart.

Of course the Beast was going to destroy her.

### **August 1998**

Imagine this.

You're a fly on the ceiling at Bistro Moncur, Damien Pignolet's splendid French bistro in the fashionable Sydney suburb of Woollahra. How fashionable? Paul Keating himself lives not far away. The clientele on any day at Moncur might be as famous as its Sirloin with Café de Paris butter, which melts in your mouth. You can't book a table – patrons must wait in the Woollahra Hotel bar for a nod from the staff. They reckon it's first come, first served – no 'queue jumpers' here.

Although being a Sydney MP known to be close to the PM probably doesn't hurt.

From your position on the ceiling you can see that the table below is occupied by four stalwarts of the neo-liberal scene, including a couple of associates of its most influential intellectual forum, *Quadrant* magazine, published from another fashionable Sydney suburb, Balmain. There's former NSW Liberal leader and ex-federal MP Peter Coleman, a



Woollahra resident, father-in-law of Treasurer Peter Costello. There's former Whitlam minister turned economic ultra-rightist John Wheeldon. The third bloke, who's just selected another bottle of crisp chardonnay, is the *Daily Telegraph's* fervently pro-Howard columnist Piers Akerman. The last man is the Member for Warringah and Parliamentary Secretary.

The reason for this lunch – the first of several – is to create a new private trust. Its purpose? To nail Pauline Hanson through the courts. One Nation is riding so high on its recent Queensland election successes that it now threatens John Howard's chances at the upcoming federal poll, and these neo-liberal power-players have decided upon a dual strategy: let John woo her voters in public while they destroy her party in private.

There's at least two One Nation dissidents up in Queensland willing to go after Hanson with civil actions. Abbott's already convinced Terry Sharples to seek an injunction stopping One Nation getting the cheque for \$500,000 in public funds due after her Queensland success, to deprive her of resources for the coming federal campaign. He's given Sharples two top Liberal lawyers who'll do the work for free, and a guarantee he won't be out of pocket – but it's getting messy and Abbott's already misled the public about what he's up to, as we'll see.

He now wants a more formal arrangement to fund the injunction application of another dissident, Barbara Hazelton.

Some top Liberals down in Melbourne – Jeff Kennett, and even Coleman’s son-in-law Peter Costello – have been calling for the party to take on Hanson the honest political way: preference her party last while arguing the case against her policies out on the voting stump. Jeff even went north to eyeball her in a shopping mall during the Queensland election campaign. But John Howard isn’t having any of that democratic nonsense. ‘Speaking freely and openly’ in public about ‘certain subjects’ with Hanson voters?

No one at this exclusive restaurant table today wants that.

Instead Howard has long been publicly empathising with Hanson’s voters on the strictly social issues – land rights, refugees, family breakdown, law and order. And especially on the way our nation’s cherished fair go is being destroyed by those damned elitists – the kind of moralising lefty hypocrites who chatter on endlessly about doing good for the battlers, while enjoying an excellent steak and a crisp chardonnay in some flash restaurant in some fashionable suburb.

The trust’s money-men – there are twelve wealthy donors lined up, for the law is an expensive business – know that what they’re about to fund is just business as usual from the three-headed Beast of Australian politics: Big Party, Big Money, Big Media.

The details will come together quickly, but there’s an early snag: nobody can think of what to call this new trust. We imagine Piers – who, despite later claiming to crave ‘greater transparency’ in politics, will not write a word

about these lunches for five years – suggesting another bottle while they think on it some more.

Tony Abbott brightens. He's got it! Three heads turn his way and Tony grins his trademark grin. You're gunna love this, fellahs: let's call it 'Australians for . . .'

Their laughter hasn't stopped when the waiter arrives with the Moët five minutes later.

It's just a silly, made-up conspiracy theory, of course. Or is it? Let's have a look at what actually happened.

The whole process of political funding needs to be out in the open so that there can be no doubt in the public mind – Australians deserve to know who is giving money to political parties, and how much.

**Kim Beazley commends new laws requiring disclosure of political donations, 2 November 1983**

There are some things the public has no particular right to know.

**Tony Abbott explains why the laws don't apply to his trust, 5 September 2003**

### **13 October 1997**

Pauline Hanson applies to register in Queensland a political party she calls Pauline Hanson's One Nation. A major benefit of registration is that election costs are recoverable

from the public purse. To satisfy Queensland electoral law a party without a sitting MP in the state Parliament must have at least 500 members. She lodges more than 500 names and addresses and the constitution of a very unusually structured and centralised party.

**4 December 1997**

The Queensland Electoral Commission, having confirmed the membership in the standard manner, accepts registration of Pauline Hanson's One Nation.

John Howard's party raises no objections.

**10 May 1998**

On the *Sunday* program Peter Costello states that One Nation will be preferenced last in his Melbourne electorate at the next federal election.

**12 May 1998**

John Howard argues in the party room against placing One Nation behind the ALP on Liberal how-to-vote cards at the federal election. He says he would prefer to work with One Nation than the Democrats in the Senate. Tony Abbott agrees, advocating the Voltaire approach: 'I disagree with what she says, but I'm happy to defend her right to say it.'

**13 June 1998**

After the Coalition in Queensland gives its preferences to One Nation above Labor, Brisbane liberals desert the Liberal Party

for Labor, and One Nation decimates the Nationals' vote, gaining eleven seats. The ALP wins office in Queensland.

### **Mid-June 1998**

Tony Abbott begins attacking the legality of One Nation's registration in Queensland. He tells the House of Representatives on 2 July, 'I am not a lawyer, but it seems to me that . . . One Nation, as registered in Queensland, does not have 500 members, it is not a validly registered political party, and it cannot receive any public funding.' He personally lobbies the Queensland electoral commissioner to investigate One Nation's legality. He travels around the country encouraging One Nation dissidents to take legal action.

### **7 July 1998**

Abbott meets One Nation dissident Terry Sharples in the Brisbane offices of establishment solicitors Minter Ellison to nut out the legal and financial support needed for Sharples to launch a Supreme Court injunction to stop One Nation getting \$500,000 in public funding due after its strong vote in Queensland before the impending federal election. Abbott brings with him two top lawyers with Liberal Party connections – one is Queensland Liberal Party President Paul Everingham – who will run the action for free.

Sharples later claims that Abbott tells him that any Liberal Party connection should be kept secret, but that he

will financially underwrite Sharples' intended civil action testing the legality of One Nation.

**11 July 1998**

Abbott gives Sharples a signed and witnessed 'personal guarantee that you will not be further out-of-pocket as a result of this action'. Sharples issues his Supreme Court writ for an injunction. Abbott has obtained the financial backing of someone – who he still will not name – to stump up \$10,000 to meet that guarantee.

**31 July 1998**

Tony Abbott and journalist Tony Jones have the following exchange in an interview for an ABC *Four Corners* broadcast on 10 August.

JONES: So there was never any question of party funds —

ABBOTT: Absolutely not.

JONES: Or other funds from any other source —

ABBOTT: Absolutely not.

JONES: — being offered to Terry Sharples?

ABBOTT: Absolutely not.

**21 August 1998**

In the witness box during what will be an unsuccessful action for an injunction, Terry Sharples is cross-examined on his funding relationship with Abbott. Asked whether Abbott ever talked to him about 'providing an indemnity

for this action or any action you may bring', he replies 'No, he didn't.'

(Later, on 11 March 2000, in an interview with *Sydney Morning Herald* journalist Deborah Snow, Abbott will recount his reaction to Sharples after the August 1998 cross-examination: 'Terry, this thing is out of control . . . you should just terminate this action and there'll be a costs order against you and I'll look after it.' )

#### **Soon after 21 August 1998**

Abbott disassociates himself from Sharples' civil action.

#### **24 August 1998**

Tony Abbott establishes the Australians for Honest Politics Trust. Its stated objective is 'to support actions to challenge the activities of a political party or association within Australia which is alleged to conduct its affairs in breach of the laws of Australia'. First cab off the rank is former secretary and estranged friend of Hanson, Barbara Hazelton, who duly issues a Supreme Court writ also seeking an injunction against payment of the \$500,000 before the federal election.

#### **29 August 1998**

The *Sydney Morning Herald's* Marian Wilkinson reports Abbott's Australians for Honest Politics Trust under the headline 'Lib MP Backs Trust to Attack Hanson'. Abbott denies any Liberal Party involvement in AHPT, and says he

I saw One Nation as a threat not so much to civilisation as to the Coalition. It had brought down the Borbidge government in Queensland and was defeating Coalition MPs and candidates all over the country . . . [Tony Abbott] deserves a medal.

**Peter Coleman reminisces in the *Australian*, 28 August 2003**

Peter Coleman and . . . John Wheeldon used to hold their irregular meetings over lunch at the Bistro Moncur in Woollahra . . . I know, because I joined the gathering for a few pleasant meals. Conspiratorial? Hardly . . . Those attempting to demonise Mr Abbott, however, would be better employed arguing for an overhaul of the nation's electoral laws to ensure that all political parties are forced to operate with greater transparency.

**Piers Akerman reminisces in the *Daily Telegraph*, 28 August 2003**

is acting 'as a citizen and a democrat, because One Nation is a fraud on the taxpayers and must be exposed'. Hanson's senior adviser, former Liberal David Oldfield, who'd worked for Abbott before defecting to Hanson, claims that AHPT 'is a clear example of big business money being used to stop Pauline Hanson's One Nation. It is the filth of the Liberal Party at its worst, and Abbott's involvement in such nefarious activity is appropriate and understandable.'

### **3 October 1998**

John Howard is returned to government with a reduced majority. One Nation polls 8.4 per cent of the national



vote, but only has one senator elected. The result earns One Nation about \$3 million in public reimbursement.

**20 October 1998**

Tony Abbott's response to a request from the Australian Electoral Commission on 18 September 1998 to disclose the trust's donors is to say that he is not required by law to do so.

**10 June 1999**

The AEC writes to Abbott accepting his assurances that the trust is not an 'associated entity' with the Liberal Party and therefore need not disclose its donors.

**18 August 1999**

Justice Roslyn Atkinson of the Queensland Supreme Court finds for the plaintiff in the Sharples civil action. (Barbara Hazelton had dropped her action.) She rules that Electoral Commissioner Des O'Shea's decision to register Pauline Hanson's One Nation was 'induced by fraud or misrepresentation' because the people on the membership list were 'supporters', not 'members'. One Nation is ordered to repay the \$500,000 of public funds. A police investigation commences.

Although victorious, Sharples is considerably 'out of pocket as a result of this action'. He pursues Abbott to honour his indemnity pledge.

**Late 1999**

Abbott's lawyer writes to Sharples asking him to accept \$10,000 to call it quits, maintaining this is not 'an admission of liability'.

**24 September 1999**

In Victoria Jeff Kennett's government suffers a stunning 4.5 per cent statewide swing against it, rising to 10–15 per cent in rural and regional seats, and is ousted. The backlash is attributed to voter anger after seven years of neo-liberal economic reform. Labor, which had made it its business to promise better services to regional voters, and Independents poll strongly in rural and regional seats. One Nation wins only 0.3 per cent of the primary vote.

**January 2001**

After extensive fundraising drives, Pauline Hanson finishes reimbursing the \$500,000 owed by One Nation to the Queensland Electoral Commission under Justice Atkinson's judgement.

**10 February 2001**

One Nation polls 10 per cent of the primary vote in the WA state election, and up to 30 per cent in some rural seats. Its decision not to preference sitting members is crucial in the ousting of Premier Richard Court's Coalition government.

**17 February 2001**

One Nation polls 9 per cent in the Queensland state election in which the ALP is returned with a record majority and the Coalition Opposition is further devastated. Twenty-three per cent of Queenslanders abandon the main parties, mostly fleeing the conservative side to vote for One Nation, the One-Nation-derived City Country Alliance or ex-One-Nation Independents.

**27 May 2002**

Pauline Hanson is committed to stand trial on one count of fraudulently registering a political party, and two counts of fraudulently obtaining public funds.

**22 March 2003**

Hanson is narrowly unsuccessful in her bid for an Upper House seat in the NSW election.

**15 July 2003**

Hanson's trial commences before Judge Patsy Wolfe.

**20 August 2003**

After nine hours' deliberation, a jury convicts Hanson on all charges. Judge Wolfe sentences her to three years' imprisonment, noting that the publicity surrounding the case has severely damaged any chance of her resurrecting her political career.

**22 August 2003**

John Howard tells Neil Mitchell on Melbourne talkback radio:

‘Like many other Australians, on the face of it it does seem [to me] a very long unconditional sentence for what she is alleged to have done. And you’re dealing here with a breach of a law which is not based on something which is naturally a crime . . . Can I talk generally about the issue of registering political parties? . . . I’ve always had some reservations about whether the requirement that you register political parties is justified as necessary . . .’

**28 August 2003**

In an article for Sydney’s *Daily Telegraph* Tony Abbott writes, ‘I’m sorry that Pauline Hanson is in gaol. I believe that the sentence she received was too severe. But I’m not sorry for trying to expose the fact that One Nation was never a fair dinkum party. It was a company with three directors, not a party with 500 members.’

**6 November 2003**

The Queensland Supreme Court upholds Hanson’s appeal and orders her release. Chief Justice Paul de Jersey writes, ‘The preponderance of available evidence points to the conclusion that the applicants for membership became members of the political party.’

Pauline Hanson’s One Nation was a fair dinkum party in Queensland, after all.

**7 November 2003**

Outside prison Hanson agrees with a Channel Seven reporter who suggests that the inmates with whom she has just shared eleven weeks have ‘obviously touched you deeply’:

‘The whole thing has. I’ve learnt a lot from it. I was a person that had my opinion and, yes, I thought I knew everything – as a Member of Parliament to go and look through the prisons you know nothing, and these politicians and bureaucrats that make the legislation have no idea. And, yes, it’s been a very daunting, distressing time. I could never explain what it’s done to me, but in so many ways I’ve learnt so much from it . . .’

**15 January 2004**

Hanson announces that she is quitting politics:

‘I’m sick and tired of seeing people elected to Parliament who haven’t got the determination or the integrity, and who sell their souls to get their positions. I’m not feeling sorry for myself. I’m just really angry for the system we have, because I’ve seen the breakdown in many aspects of Australian life – education, the family unit, health, Australian ownership, even the Australian way of life.’

The Beast – Big Party, Big Money, Big Media – has finished off Pauline Hanson’s political career. Tony Abbott is being called an underhand thug by some and a future prime minister by others. John Howard has already moved on.

## Australians for Honest Politicians

*There is no reason to believe that large parts of any population wish to reject learning or those who are learned. People want the best for society and themselves. The extent to which a populace falls back on superstition or violence can be traced to the ignorance in which their elites have managed to keep them, the ill-treatment they have suffered and the despair into which a combination of ignorance and suffering have driven them*

**John Ralston Saul**

**P**auline Hanson's jailing pinched a dangerous democratic nerve for our two Big Parties, and particularly for the Prime Minister.

It triggered a re-examination of some recent political history that Howard hoped would stay buried, exposing his government's covert strong-arm tactics *and* the lame performance of our primary democratic watchdog, the Australian Electoral Commission, to greatly unwanted scrutiny. It also gave us a chance to prise open the door on who really benefited from his regime – a door Howard desperately needed to stay closed to protect the myth that he governed 'for all of us'.

The nerve pinched was the fair go: Australian society's traditional defining, non-partisan value.

Whatever the rights and wrongs of the process that led to Pauline Hanson's conviction, an overwhelming number of Australians – including many who hated her policies and surprised themselves with their response – felt her jailing symbolised something rotten in our democracy. The little person who'd had a go without big money or big corporate or big union connections was in jail. The politicians with the dough, education, experience and clout had got away with blue murder.

A Moir cartoon in the *Sydney Morning Herald* told the story: politicians holding a 'Too harsh' sign bayed 'We're very concerned about the precedent.'

Hanson was jailed – after an exhaustive, expensive pursuit – over a registration technicality: a ruling that paid-up members of her Pauline Hanson Support Group were not members of her political party. It was a differentiation that would have been easily avoided with good legal advice. And as Bob Bottom wrote in the *Bulletin* on 12 November 2003: 'Even a cursory examination of other political parties . . . discloses different classes of members, who are all deemed to be part of the party. For example, the Liberal Party (Qld) specifies three classes of member: members, party supporters and corporate members.'

The Big Party politicians were rabbits in the spotlight. On the day Hanson was jailed, Howard had let Wilson Tuckey stay on his frontbench despite revelations that Tuckey had aggressively lobbied the South Australian government using ministerial letterhead to get his 45-year-old son – who he

falsely claimed was his constituent – off a traffic fine. Tuckey had then lied about the matter to Parliament. Penalty? Howard called him ‘stupid’.

Pauline Hanson never used her position to try to help her children avoid Australia’s laws. Judge Patsy Wolfe sent her to jail for three years because her crimes ‘affect the confidence of people in the electoral process’.

Just days before, Howard himself had been caught red-handed misleading Parliament over a meeting with Dick Honan, ethanol near-monopolist and Big Party donor (2002–03: Liberal Party \$200,000, National Party \$110,000, ALP \$50,000). Our fervent ‘free trade’ PM had ignored Treasury and Finance Department advice and delivered mega-bucks to Honan through a taxpayer subsidy – in the process knowingly causing massive financial loss to two other Australian companies. Howard denied having the meeting to our Parliament. Penalty? Nothing.

Hanson never threw taxpayer money about in this way and then misled Parliament about it. Hanson went to jail as a public funds rorter.

In that same week, Labor announced that its new national assistant secretary would be Mike Kaiser, who had confessed to electoral fraud in 2000 but had never been charged.

Hanson’s political career was over after she was charged with electoral fraud.

Australians laughed, bitterly. Whatever one thought of Hanson’s policies, her rise was a *response* to disillusionment with the electoral process, not the *cause* of it.



The Big Party politicians who had started the ball rolling bolted for electoral cover as Hanson went down for three. Howard immediately opposed the length of her sentence, and suddenly declared that he did not even agree with the law under which his protégé had relentlessly pursued her in 1998. Abbott was 'surprised' by the conviction and 'shocked' by the sentence. Howard refused to answer all questions on whether he had approved Abbott's campaign in the courts. Abbott said, 'I don't know whether I specially discussed it with the PM, and when I might have done it.'

Again the cartoonists told the story: Leahy in Brisbane's *Courier-Mail* drew Howard as a crying crocodile, begging Abbott, standing atop Hanson with money bags in his hands, to 'Remember Tony, nobody told me anything, OK?'

The Libs' Bronwyn Bishop called Hanson a political prisoner and blamed Queensland Premier Peter Beattie. Labor's Craig Emerson blamed Abbott. NSW Premier Bob Carr thought the sentence was 'excessive', while Australian Conservation Foundation Chairman Peter Garrett said he thought 'Mr Abbott has actually done us a favour.' Conservatives and progressives alike groped for the 'right' response, while in Brisbane Beattie was unimpressed with everyone: 'I have never seen so many gutless wimps in my life, running around like scalded cats trying to position themselves for political gain.'

Some commentators called anyone who saw Abbott as less than a saint a hysterical conspiracist. Polls gauging public response to his behaviour suggested that if that were so, 70 per cent of Australians were loonies.

Abbott is accused of 'shedding crocodile tears' over Hanson's jailing. Yet it's not inconsistent to lambast One Nation as an undemocratic shambles while sympathising with Hanson's tough three-year sentence . . .

**Matt Price, *Australian*, 28 August 2003**

Arsonists are part and parcel of Australian life today, and no less so in the political sphere. Mr Abbott has had opponents trying to light flames under him since he was elected to represent Warringah at a by-election in 1994.

**Piers Akerman, *Daily Telegraph*, 28 August 2003**

Hanson's love-hate biographer and journalist Margo Kingston [is] putting Abbott in the dock and fuelling One Nation sympathies.

**Dennis Shanahan, *Australian*, 29 August 2003**

Abbott told the *Herald* he was acting as 'a citizen and a democrat because One Nation is a fraud on taxpayers and must be exposed'. Abbott was right.

**Alan Ramsey, *Sydney Morning Herald*, 30 August 2003**

How should one judge Abbott? He made some blunders along the way, but his strategic judgment was correct and validated. From what is known of Hanson's demise, Abbott is more hero than villain.

**Paul Kelly, *Australian*, 30 August 2003**

The Workplace Relations Minister [Abbott] has been the most forthright player in this episode. He disagreed with Hanson and her policies and went after her. His methods were legal. His guiding principle, the maintenance of the integrity of the electoral system, sound.

**Glenn Milne, *Australian*, 1 September 2003**

In this unpleasant but enlightening episode, while he has been viciously attacked by almost every progressive with access to a word processor or a cartoonist's brush, Abbott has shown the kind of grit, determination, equanimity and, above all, concern for a purpose larger than himself, that marks out a future Prime Minister.

**Greg Sheridan, *Australian*, 4 September 2003**

It was true that Abbott's Australians for Honest Politics Trust had been briefly publicised back in 1998 in the broadsheet newspapers, but very few Australians knew about it. Dramatic shots of Pauline Hanson disappearing behind bars made people sit up, scratch their heads and say 'Hang on a minute.' They began asking questions and demanding answers.

Many more Australians now learnt what only *Sydney Morning Herald* readers who'd read a Deborah Snow profile in 2000 had known: that soon after writing his indemnity guarantee for Terry Sharples in the lead-up to the 1998 election, Abbott had lied to Tony Jones about it on *Four Corners*, and lied about it *again* to the *Herald* eighteen months

later – until Snow produced the document with Abbott’s signature that exposed his dishonesty:

‘When the *Herald* first put to him Sharples’ claim that he’d promised money at the outset to be paid into a solicitor’s trust account, Abbott said: “No, it’s not correct.” But when shown his signed personal guarantee, Abbott recants: “I had secured the agreement of a donor to provide up to \$10,000, if necessary, to cover any costs award made against Sharples.” Challenged about the conflict between this and his denial on *Four Corners* [10 August 1998], Abbott initially replies: “Misleading the ABC is not quite the same as misleading the Parliament as a political crime.”’

Suddenly the public were hopping mad, and on 27 August they cheered the journalist for once when the *7.30 Report*’s Kerry O’Brien forensically dismantled Abbott’s attempts to use every semantic trick in the book to avoid acknowledging his deceit.

Abbott then expanded his list of Australians *not* to lie to in an interview with Paul Kelly for the *Australian*: ‘I shouldn’t have been flippant about the ABC, certainly not to the *Sydney Morning Herald*.’

Perhaps worst of all, for the first time we got to note the contempt he’d expressed to Deborah Snow in 2000 for the One Nation dissidents he’d so assiduously cultivated in 1998: ‘Do priests want to mix with sinners? Do doctors want to mix with people with terrible diseases?’ People

such as Terry Sharples and Barbara Hazelton were a pox on our democracy that brave Saint Tony had held his nose and endured for Australia's sake. As the awkward truth about Abbott's behaviour began to crystallise in the national mind, John Howard washed his hands.

Should Abbott be sacked for misleading the public, Prime Minister?

'Abbott has answered for that, and you go and talk to Abbott.'

Did the public have the right to know the donors to the Sharples legal action and the Australians for Honest Politics Trust back in 1998?

Of course. It was relevant information to voters casting an informed choice. Had the methods, motivations and individuals behind both legal moves been widely known, many One Nation voters might have suspected the sincerity of Howard's oft-stated empathy with their views. Other people might have thought the AHPT was a legitimate tactic, given the danger One Nation posed to their values, although as the belated outpouring of sympathy for Hanson showed, many voters might not have liked the idea of a rich, well-connected party using the law – an expensive and complicated business – to destroy a fledgling competitor. Many might have reckoned that it wasn't quite playing by the democratic rules; that there were more honest ways to defeat One Nation.

When the scandal finally broke after Hanson's jailing, Peter Costello joined the Labor Party in espousing just that view while, unlike some colleagues, pointedly refusing to criticise Hanson's sentence out of respect for the legal process: 'I don't think that the way to resolve political disputes is through the courts. I think the way to solve it is at the ballot box. It is a point that I have always made in relation to One Nation; I was always prepared to argue why its policies were wrong, and let's determine that at the ballot box.'

Suddenly, with Hanson behind bars, democracy was beginning to look like a sick insider's joke: a quiet little 'Honest Politics' club formed over a few lunches in an exclusive Sydney restaurant, headed by the same man who had just lied to the Australian people over Sharples; Abbott whipping up a cool \$100,000 in less than three weeks from twelve anonymous donors whose identity he was determined to keep secret; Abbott courting One Nation dissidents in 1998; Abbott sneering at them in 2000; and now Abbott crying crocodile tears over the ultimate fruits of his own work.

There were deeper democratic questions, too.

When Abbott's AHPT had got that minuscule coverage in the broadsheets in August 1998 no reporter had thought to request its donors' identities, despite the implicit claim to transparency in its eye-catching name. That was disturbing in retrospect.

Why had no one checked with the Australian Electoral Commission about whether disclosure was required?

Why had no one queried the ethics of a wealthy party using its muscle to harass through the courts a new democratic entrant without disclosing its financial backers?

The answer was simple, really. Back then most of us in the political mainstream *had* reckoned it was justified or at least not worth scrutinising – or something weak and undemocratic like that – especially given that many of us were making careers out of scrutinising every twist in the internal dramas of the One Nation story.

Abbott wasn't the only one who had demeaned our democracy with his AHPT. The least the media could do, I thought, was atone for *our* professional failure to scrutinise *everyone's* Electoral Act dealings, regardless of our own biases. Besides, I'd harried Hanson for five weeks during that 1998 election race trying to make her accountable for what she said – so much so that she'd accused me of destroying her entire campaign. The least I could do was apply the same standards to Tony Abbott.

It was only fair.

The Australian Electoral Commission has two vital roles in our democracy: to manage the electoral rolls and conduct our elections, and to enforce our donor disclosure laws.

In a Webdiary piece during the Honest Politics Trust scandal, Australia's most experienced electoral law expert, Graeme Orr of Queensland's Griffith University, described the democratic purpose of the latter role:

‘Disclosure laws are meant to provide two related types of transparency. One, to inform interested voters about “who supports who” (on the assumption that this in itself provides clues about the real intentions/ideologies of political actors); and two, to allow the media, in particular, to shine light on possible “quid pro quo” corruption of political actors.’

The AEC was converted from a government department to an independent statutory watchdog in 1983 when the Parliament gave it responsibility for upholding new laws requiring the disclosure of large donations to political parties. Before 1983 Big Media and Big Business financed political parties in secret. Compulsory disclosure was a trade-off for the introduction of public funding for election campaigns, under which all candidates polling more than 4 per cent of the votes in the seats they stood for would be paid a certain sum per vote.

The Labor government that introduced the public-funding laws argued they would reduce the parties’ dependence on private funding, both directly through the compensating public subsidy and indirectly due to the scrutiny of donations. The two Big Parties would in future be able to count on a guaranteed base ‘public income’ to fund their campaigns, and so the private fundraising pressure, with all its associated ‘temptations’, would be eased.

Twenty years later it still sounds like a damned good argument. In a system such as ours there’s always scope for wealthy businesses and individuals to use their economic power to



gain disproportionate political influence, and thus subvert democracy's bedrock promise: that each citizen shares equally in political power. It's an insidious anti-democratic threat that can be hard to avoid.

The then special minister of state Kim Beazley, who stewarded the 1983 reforms, said the new laws would minimise that threat: 'There is no greater duty upon the representatives of the people in a democratic society than the duty to ensure that they serve all members of that society equally. This duty requires government which is free of corruption and undue influence.'

As it turned out, our politicians, as usual, just wanted to eat *our* public cake *and* gobble every other private one they could get their hands on.

Since 1983 the Big Parties have used taxpayer money to secure their financial bases while massively *increasing* the corporate donations they collect. After the 1984 election 60 per cent of the Big Parties' revenue came from the new, vote-based public subsidy. After the 2001 election – by which time Labor and Liberal were together 'earning' around \$38 million in taxpayer reimbursement – this had fallen to *20 per cent*.

Far from spurning private dough since 1983, the Big Parties have gone berserk: a rich voter can now buy superior access to political heavyweights – framers of policy, national executives, ministers, prime ministers – in all kinds of ways. Special lunches and dinners, expensive 'forums', one-on-one meetings and inside briefings – parties even get Big Money

to *sponsor* their annual national conferences. La Trobe University's Joo-Cheong Tham, a leading electoral law expert, argues that we citizens should be under no illusion about these arrangements: 'Such sale clearly involves undue influence of politicians, because access to and influence on political power are secured through the payment of money.'

The stranglehold that large corporations now have on our government-forming parties – the Big Money, Big Party nexus – is tightening, and it isn't confined to the conservative side. Since 1999–2000 corporate donations have outstripped those from both wealthy individuals *and* big unions, with results that would almost be funny if they weren't so sad. A conservation group in Byron Bay recently called for donations to help it campaign against a major development – not to fund a demo or knock up some flyers, but with a view to offering money to NSW Premier Bob Carr to listen to its point of view, just as the developer, Becton, had done!

At the ALP's 2004 national conference in Sydney – Mark Latham the headline speaker – a cool \$11,000 would have bought you a 'Platinum Table of 9' complete with its own 'senior Labor representative', *plus* a 'full-page advertisement in the evening's program'. All this while you and I pay these people every time we vote for them.

The AEC, as an *independent* statutory authority equipped with strong investigative powers, was supposedly going to allow Australians to keep a close eye on such excesses. It was to be answerable only to an *independent* board and overseen by a part-time chairman selected from a shortlist of three

judges *independently* recommended by the judiciary. Those 1983 disclosure laws were meant to be as unambiguous as the AEC's democratic duty: to inform us, the Australian people, about who gives how much money, or donations in kind, to whom and when – and to remain impartial and apolitical while doing so.

In practice the major parties have treated these reforms with contempt. Just how much – and the depth of disdain shown by our politicians for the AEC's role as a public watchdog – would become clear during the controversy over the Australians for Honest Politics Trust. As Kathy Mitchell, head of the AEC Funding and Disclosure branch, would tell Senate Estimates in February 2004, 'It has become apparent to the AEC that what people expect the legislation should achieve is not what it is achieving.' Asked to explain why investigating a funding mechanism such as Abbott's was taking so long, she lamented that 'When you open one door, you potentially find several more doors to be opened after that . . .'

Disclosure laws cover donations to political parties and any 'associated entity':

**'Commonwealth Electoral Act (1918) – Section 287 – Interpretation**

(1) In this Part, unless the contrary intention appears: *associated entity* means an entity that:

(a) is controlled by one or more registered political parties; or

(b) operates wholly or to a significant extent for the benefit of one or more registered political parties.’

Here’s where the citizen’s game of cat-and-mouse begins. Or cat-and-Beast.

Where did Tony Abbott’s AHPT fit in?

We learnt of Abbott’s fellow trustee Peter Coleman’s motivation for setting it up when he wrote in the *Australian* on 28 August 2003 that ‘I saw One Nation as a threat not so much to civilization as to the Coalition.’ John Howard had already made the reason for the trust even clearer in a door-stop exchange with a reporter on 27 August.

HOWARD: . . . but the important thing is that [Abbott’s trust] was disclosed in the media in August of 1998, and he made no secret of it.

REPORTER: Are you happy with ministers of your Government being involved in destabilising other parties like that?

HOWARD: Well it’s the job of the Liberal Party to politically attack other parties, there’s nothing wrong with that.

So here we have the parliamentary leader of one ‘registered political party’ describing an entity’s attacks on an opposing ‘registered political party’, in the lead-up to an

election, as the Liberal Party doing its political job. This is a public admission by Australia's senior Liberal that the AHPT *was* an 'associated entity' operating 'wholly or to a significant extent for the benefit of' his own party.

So Australian voters could be told the identity of the trust's donors, right? Wrong.

On 27 August 2003 Abbott, through the *Sydney Morning Herald's* Mike Seccombe, told the Australian people something else they'd been kept in the dark about. The AEC *had* asked him, in a letter dated 18 September 1998, to disclose his donors. He released the reply he had written on 20 October 1998 – but not the trust deed enclosed with it – and the AEC's response, to the *Australian Financial Review*. (The AEC had refused to release the correspondence to the media.) In the reply Abbott had advised the AEC that 'Before seeking donations to the Trust I spoke with one of Australia's leading electoral lawyers who assured me that the Trust would not be covered by disclosure provisions.'

When the AEC eventually wrote back – on 10 June 1999 – it accepted Abbott's word: 'On the basis of the information provided, I am of the opinion that the Trust does not constitute an associated entity at this time, and accordingly is not required to lodge a disclosure return.'

Once that was out Mike Seccombe contacted experts in electoral law, who expressed surprise that the AEC had backed down, said the AHPT looked like an 'associated entity' of the Liberal Party, and urged the AEC to release any legal advice to the contrary. Please explain!

And anyway why would Abbott want to keep secret the donors who'd helped him act 'as a citizen and a democrat' to expose 'a fraud on taxpayers'? And why wouldn't those donors be glad to out themselves if, as Abbott now claimed, they were acting in the public interest 'for all of us', not just the Liberal Party?

For the same reason Howard hadn't wanted the public to know about the donors he'd invited to the Bush barbecue perhaps?

Would the outing of Abbott's money-men be the people's first glimpse of how business really gets done in John Howard's Australia?

Would it embarrass Howard's rich mates?

Were media or National Party figures involved?

Were any of Saint Tony's twelve faceless donors linked to the PM's office?

Two were quickly exposed. *The Age's* political editor, Michael Gordon, outed millionaire businessman Trevor Kennedy, the former Packer executive, who'd kicked in \$10,000. Once a Labor man, he was later strongly pushed by the Liberals to become the ABC's managing director when Jonathan Shier got the sack. Kennedy's motivation? He said he was proud to donate because Hanson 'was not only a great menace to this country, but a crook as well'.

Soon after his remarks Kennedy resigned his many directorships amid revelations of Swiss-account tax-dodging and the exposure of his long-denied involvement in Offset Alpine, a controversial company under investigation by the

corporate regulator the Australian Securities and Investments Commission. As I write, Kennedy's crack legal team has just lost the first round of their legal fight to exclude certain documents from being used as evidence.

Terry Sharples outed another trust donor: Western Australian construction magnate, major Liberal Party donor and board member of Melbourne's neo-liberal Institute of Public Affairs, Harold Clough. Clough is generous to neo-liberal causes, and the IPA is appreciative enough to hold an annual chat in his name. At the 2002 Harold Clough Lecture Gary Johns spoke on 'Corporate Social Responsibility: Democracy or an Assault on Stakeholders?' The latter, of course.

Worth about \$120 million in the early 1990s, Clough had helped finance a legal persecution of the WA Democrats by businessman John Samuel, who'd been expelled from that party after trying to seize control of his branch. The long, expensive legal action had nearly destroyed the WA Democrats.

Funnily enough it turned out that Samuel had since shifted his 'support' from the WA Democrats to WA One Nation – and had promptly begun legally attacking them, too. (Abbott admitted that the same John Samuel had been a 'close collaborator' in stumping up the cash to fund Sharples.)

On 5 September 2003 WA Democrat Senator Andrew Murray sent details of the Clough–Samuel Democrats party hijack attempt to the AEC. 'This is why you need disclosure and transparency – that's why people need to drive the connections hard,' Murray said.

An ugly pattern was beginning to emerge. Destroying the competition through the legal system was starting to look like no mere one-off tactic aimed at One Nation, but part of a systematic ‘anti-competition’ campaign by Liberal power-players to stop new parties gaining a foothold in the political ‘marketplace’. It was beginning to seem as if John Howard the free marketeer was after a ‘democratic monopoly’ – squeezing out ‘consumers’ of ‘minor brand’ parties by using Big Money and our courts behind the scenes.

Who were the ten remaining mystery donors? Why was Tony Abbott so determined to keep their identities a secret from the people? And where was a public servant with the strength of Professor Allan Fels, our former competition watchdog and people’s champion, to tell him to do the right thing?

In his letter to the AEC Abbott had said the Australians for Honest Politics Trust sought to ‘preserve and strengthen the integrity of the electoral process’.

OK, Tony, I thought. Let’s see whether *you* have been, and would continue to be, the recipient of favoured treatment under Australia’s electoral laws.

First I checked out the AEC’s track record.

Way back in May 2002 Labor Senator John Faulkner had asked the AEC’s officers in Senate Estimates whether the Liberal lawyers’ donation of services to Sharples for his



Supreme Court case and Abbott's indemnity should have been disclosed to the Australian people. The AEC replied that it would seek legal advice and advise further 'as soon as possible'. Fifteen months later it was yet to do so, and when Faulkner gave it a nudge after Hanson's jailing, the AEC promised to get back to him! In a 28 August 2003 brief to the Special Minister of State, Eric Abetz, obtained under FoI laws, the AEC claimed it had not replied to Faulkner 'as its inquiries to date have been inconclusive'. (It would become apparent that *no* fresh inquiries had been undertaken after receiving the legal advice.)

Not a bunch of movers and shakers, then.

On Monday, 1 September 2003, I questioned AEC Director of Communications Brien Hallett, who'd been handling Abbott queries for several days.

'On what basis did the AEC decide not to require disclosure of the donors to the Honest Politics Trust?'

He said he didn't know.

'Did it consider the trust deed before making the decision?'

He said he didn't know.

'Did it receive a copy of Abbott's legal advice?'

He said he didn't know.

'Did the AEC take its own advice before making the decision?'

He said he didn't know.

'Would the AEC release its correspondence with Abbott?'

No.

‘Why not?’

That wasn’t ‘usual practice’.

‘When did the AEC receive its legal advice?’

He said he didn’t know.

‘Would the Commission release that advice?’

No.

‘Why not?’

It was ‘privileged’.

When I pointed out that legal privilege belongs to the client, and that the AEC could therefore freely release its legal advice, the Director of Communications again refused to do so, saying he would get back to me later that day. He didn’t.

Hallett was behaving exactly like a political media-minder whose boss had something to hide; if he really didn’t know those answers it meant he deliberately hadn’t been briefed. Politicians play that game with their mouthpieces when their aim is to kill an issue. For an independent statutory body whose explicit duty was to the *voters*, not ministers or government, this was untenable. The AEC’s job was to keep our democracy clean, and to be seen to be doing so.

It was supposed to be on *our* side.

I decided to report the story on Webdiary transparently, declaring questions I had asked and answers I had got so that readers could see the games being played for themselves. I also decided to supply all the information they needed to participate directly in my attempt to get the truth. So I published the AEC’s charter, which – on orders

from John Howard's Department of Finance – it now calls its 'corporate goals':

**'Our Purpose:** The AEC's purpose is to help our primary customer, the eligible voter, have a say in who will represent him or her in the government of Australia.

**Our Values:** Independence and neutrality, integrity and accuracy, mutual respect, respect for the law, service, transparency.

**What We Want to be Known for:** The AEC wants to be recognised by its customers and stakeholders for providing leadership and expertise in electoral management.'

I added: 'If you are a voter, and thus the AEC's "primary customer", you may wish to communicate with your service provider on this matter. Ph (02) 6271 4411, National 13 23 26, Fax (02) 6271 4558.'

It was the first day of spring, and Pauline Hanson's twelfth in prison.

The next day began with a ring from a reader to report the results of his call to the AEC. By day's end I realised that the Australian people's democratic right to know who financed our political parties was a polite fiction. I also knew that many Australians were angry, engaged and trying hard to make it a reality.

Jim Mangleton said he worked in a real-estate agency

on the NSW North Coast. First thing that morning he'd rung the national AEC hotline to ask about the AHPT and was put through to Michael Avery, his local returning officer.

'He told me he didn't know what I was talking about!' Jim complained. 'He said he didn't have time to sit around looking at the newspapers.'

I rang Michael Avery, who agreed that he'd had an unusual start to his day: voters didn't usually 'ask for information on such matters', he said. '[Jim] rang first thing this morning, and said he'd read your article and wanted to know what was going on with Tony Abbott. I didn't even know what he was talking about . . . I told him funding and disclosure was a national matter . . . and gave him the expert's contact number.'

I complimented Michael for doing what he could for Jim.

'We try to help all our clients,' he replied. 'It doesn't matter what walk of life they're from, or who they preference.'

At least AEC people on the ground believed voters were more than 'customers'.

And their bosses? Brien Hallett rang later that day, after issuing a bland press release by AEC Electoral Commissioner Andy Becker stressing the AEC's statutory independence, its political neutrality, its earnest intention to address the 'complex issue' in a 'measured and deliberate' way, blah blah blah. Yet again Hallett stonewalled. He was playing political spinner and I copped the requisite 'prepared line': 'We made a

decision in 1998 and are monitoring it, and if new information comes to hand it might change but we do not yet have enough information to form an opinion.’

Here we go again.

MARGO: So on what basis did the Commission make that 1998 decision?

HALLETT: Correspondence with Mr Abbott.

MARGO: Did that correspondence include his legal advice?

HALLETT: I’m not going into the details. We don’t give running commentary on the specifics.

MARGO: What was the basis of the AEC’s 1998 decision not to order disclosure of donors?

HALLETT: The evidence before us at the time.

MARGO: What was that evidence?

HALLETT: Correspondence . . . among other things.

MARGO: Did the AEC read the Honest Politics Trust deed Abbott says he sent?

HALLETT: I can’t tell you.

MARGO: But Abbott has already told us he sent it to the AEC!

HALLETT: We don’t normally comment on such things.

MARGO: Did the AEC get its own legal advice to check if Abbott’s claim that he need not disclose his donors was correct?

HALLETT: I’m not going to comment.

MARGO: Why not?

HALLETT: We don't give a running commentary on individual decisions on matters to do with disclosure.

MARGO: Why not?

HALLETT: It's between us and the individual concerned.

I was gobsmacked. So the Australian people the AEC was supposed to be serving didn't have the right to a full report from *their* statutory body!

MARGO: How does that sit with the AEC's duty to its 'primary customers'?

HALLETT: It's between us and the individuals or groups concerned.

MARGO: What is the Commission doing now that its decision is being strongly questioned by independent legal experts?

HALLETT: We're monitoring the situation.

MARGO: Are you investigating, or reading the [news] clips?

HALLETT: We're aware of Abbott's statement last week, and comments made by him and others. If someone brings a complaint, we'll consider it.

I couldn't believe it. In response to serious questions about whether the AEC had done the job, it didn't even see fit to investigate and was relying on the media to do it. And if we asked questions the AEC's spin doctors would stonewall anyway.

MARGO: You're saying you don't investigate, but you're supposed to be the people's representative here. Surely you must investigate this for yourselves, on their behalf? Why won't you release the legal advice you've got now so people can judge for themselves?

HALLETT: We don't give out our legal advice. That's standard practice.

MARGO: Why?

HALLETT: We don't.

MARGO: Why?

HALLETT: We see this as part of our duty to implement the Commonwealth Electoral Act.

MARGO: So why don't you give the people the legal advice, if that's your duty – to implement this Act on behalf of voters?

HALLETT: Because it's standard practice.

MARGO: But the AEC's credibility is on the line – its own press release showed that. Why won't the AEC let the people know what's going on if there's nothing to hide?

HALLETT: These are matters between individuals or groups under disclosure obligations and the AEC.

Got it by now? The AEC was not administering the Electoral Act in accordance with its own stated goals, much less its civic duty. There was nothing in electoral law that obliged it to be at all secretive, yet it chose to impose confidentiality – to

suit the politicians. It was playing the game of those who wished to avoid scrutiny and could well be breaking the law! The AEC had become part of the Big Party closed shop. Part of the Beast.

I wondered aloud if the part-time Chairman of the AEC, Justice Trevor Morling QC, would approve, and asked for his phone number. Hallett said he'd get back to me.

By now most reporters who'd taken an interest had moved on. That's the spinner's main aim. First defence: the stonewall. Second defence: meaningless verbiage from the boss. Then more stonewall. These tactics usually kill the story.

Unfortunately for the AEC, Australians were taking matters into their own democratic hands.

Webdiarist Michael Hessenthaler wrote to the AEC:

'Dear AEC,

I am a customer of the AEC because I am an enrolled voter. Could you please advise me on the status of your "further inquiries" in relation to the topical issue of Tony Abbott and your original decision that he did not have to comply with disclosure requirements pertaining to the Australians for Honest Politics Trust. When do you envisage that you will, in accordance with your stated Corporate Goals, be transparent about the outcome of your inquiries?'



Webdiarist Brendan Mooney called Brien Hallett to find out what the disclosure laws demanded, and advised us where to look further on the internet: 'I am very interested in this matter as many other Australians are. We would like to see the AEC come clean and adhere to its own guidelines, which it clearly hasn't done to date. We would like to see who the donors to the Honest Politics slush fund were.'

Joo-Cheong Tham wrote a legal opinion for Webdiary that said the donors must be disclosed by law and agreed to answer Webdiarists' legal questions. In a piercing aside, he warned that 'If political litigation becomes the norm, it will then become another way of insulating the major political parties against less well-off competitors.'

Several other Webdiary 'primary customers' emailed, phoned and wrote to the AEC. The most detailed contribution was by Sue McDonald, of Sydney's suburban belt, who on 3 September sent AEC Chairman Trevor Morling a list of questions about Abbott's trust and a statement of her reasons for believing the donors should be made public. Weeks later, after the AEC wrote a pro-forma reply on Morling's behalf, Sue submitted her 'deluxe case', a comprehensive compilation of cross-referenced press statements, written evidence, AEC aims and electoral law citations. It was an amazing submission, and I emailed Sue asking if she was a lawyer or an activist.

No. She was an ordinary Australian citizen who was finally fed up:

‘I entered adulthood as a typical member of the SAP (Suburban Apathy Party), with my social conscience taking me as far as being on my child’s school Tuckshop roster. Despite this early detachment and lack of commitment to either the Right or the Left, I am now finding it more and more difficult to adhere to my natural inclination for disinterestedness. I do not like being taken for a fool, nor do I like injustice, intolerance or racism, or being fobbed off. My grandmother always told me to go to the top of the tree, and she also believed in over-explaining and asking questions until she arrived at the truth.’

Sue McDonald – Australian CITIZEN!

The breakthrough came on 3 September 2003 courtesy of a tip-off from a concerned insider. The bloke who’d decided to let Abbott off the hook was named Brad Edgman, I was told, the head of the AEC’s Funding and Disclosure branch at the time. I gave him a call.

Brad Edgman does not have legal qualifications. Despite the complexity of disclosure law – due to the Big Parties’ use of disclosure avoidance schemes – he’d neither asked for a copy of Abbott’s legal advice nor sought his own in 1998–99. He said he’d read Abbott’s letter, looked at the trust deed and was ‘of the opinion that the Trust does not constitute an associated entity’. Can you imagine the ACCC asking a company questions about price fixing, then closing the file

on the basis that the company *says* its lawyers *say* its activities are legal? The Tax Office doing the same when it queried your deductions? How convenient for Tony Abbott.

And would Pauline Hanson – or any other non-establishment politician – have got the same treatment? My AEC sources said *no way*.

Public pressure was having an effect. The day after I published the Edgman story – Hanson’s second week in jail completed – I interviewed AEC Chairman Trevor Morling. He began, ‘I’m a non-executive chairman. I don’t work in the Commission, and can’t possibly know the day-to-day operations.’ (AEC Electoral Commissioner Andy Becker is effectively the managing director, with oversight by a board comprising the Chairman, Becker and another non-executive person.) Morling said he had ‘arranged to have sent to me today all our records’. Why? ‘Because of the level of public concern.’

He said the AEC had sought new, urgent advice from the Australian Government Solicitor that very day, adding that after Faulkner’s 2002 query about Sharples’ legal services the AEC had also sought advice from the AGS and the Director of Public Prosecutions. He was reading the first AGS advice as we spoke and described it as ‘inconclusive’.

Morling said, ‘I wish it had been referred to me then’, and seemed nonplussed that the Commission had not investigated further. ‘I may refer this to a senior counsel for an opinion,’ he added.

Trevor Morling has now retired as chairman, and since

that conversation the AEC has strenuously denied that he *did* intervene in the case, but neither the AEC nor Morling has complained to my editor for reporting to the contrary. Documents since extracted under a Freedom of Information request also show that Morling refused to sign a draft AEC letter denying that he had criticised the Commission or intervened in the AHPT case. Morling returned another call some time later, leaving a message saying that since he'd left the job it was now inappropriate for him to make further comment.

While still in office, however, Morling had told me that the AEC 'must stay outside politics – you'd be surprised at the ways we have to fend off politicians and political parties trying to get what they want implemented. That applies whatever government is in power – I've been in the job for fourteen years.'

Brien Hallett suddenly became more expansive. Of the AEC's failure to provide the Senate with the legal advice relating to Sharples' case, he said, 'It was an oversight. It's regrettable.' (Sound familiar?)

So would the AEC now investigate Abbott's trust? 'I'm not in possession of all the facts yet. Steps are being taken, and I believe a discussion is being held today with the AGS.'

Hmm, I thought. Tony Abbott reckons he's an honourable man. Why not ask him to disclose his donors directly to take the pressure off the AEC and restore people's trust

in the democratic process? I lodged some questions with his spokesman the next day.

Abbott left a return message: 'Margo, it's Tony Abbott here, the object of your derision and ridicule. I'm returning the call that you put in to Andrew Simpson yesterday.'

We spoke late on Friday, 5 September. Hanson was spending her third week in jail.

MARGO: Had you given intending donors to the AHPT a guarantee of confidentiality?

ABBOTT: No. I did not tell them that their names would be publicised.

MARGO: Why didn't the public have the right to know the identity of the donors?

ABBOTT: There are some things the public has no particular right to know.

MARGO: Such as?

He asked whether I had publicly disclosed my salary.

'Yes,' I replied.

He asked whether I had criticised Fairfax in public.

'Yes,' I replied. I asked him again what things the public had no right to know.

Abbott: 'Where do you start? I don't propose to nominate a list. I don't propose to enumerate them. Short of the AEC changing its mind, they are not entitled to know who those donors were unless the donors choose to volunteer that information.'

He said the donors had done ‘a good thing’ for Australia. So why did he design the trust to ensure that donors would remain secret?

Abbott: ‘I didn’t design the trust so that donors weren’t required to disclose. I set up the trust to support legal action.’

So why did he take legal advice on secrecy before soliciting the donations?

Abbott: ‘I didn’t take legal advice on disclosure till after I got the AEC’s letter. I sought legal advice and got oral advice from a senior lawyer.’

Who was his lawyer?

Abbott refused to answer.

Why?

He had not advised the lawyer that ‘by the way, in five years’ time I’m going to dob you in to Margo Kingston’.

‘I just believe private conversations should be private,’ Abbott said.

Then why did he reveal the content of this private conversation in his letter to the AEC and why had he now released the letter to the media?

Tony Abbott did what certain politicians do when they’re cornered – attack the questioner.

ABBOTT: I think your problem is, Margo, that you support One Nation. That’s your problem.

MARGO: Why would you think that?

ABBOTT: You’re Pauline Hanson’s best friend. You’re

delighted at the prospect of Hanson coming back.  
You'd be delighted.

MARGO: Did your lawyer see the Honest Politics Trust deed before giving advice?

ABBOTT: I'm not going to disclose that.

MARGO: Why?

He said he'd given me enough time and hung up.

It took a while for it to sink in. Over the weekend I read his 1998 letter to the AEC again, not quite believing what I was reading. But there it was in black and white: 'Before seeking donations to the Trust I spoke with one of Australia's leading electoral lawyers who assured me that the Trust would not be covered by disclosure provisions.'

If what he'd just told me on the phone were true, then had he lied to the AEC in writing? If he had that was a very different matter, as Pauline Hanson now knew, from lying to the ABC, the *Sydney Morning Herald* or, in Howard's government, to our Parliament. Hanson was in jail. Abbott was a Cabinet minister. A future prime minister, some reckoned.

I read it again.

On 20 October 1998 Abbott told the AEC in writing he had sought legal advice on donor secrecy *before* collecting donations. On 5 September 2003 he told me he got his legal advice *after* the donors had paid up, in response to the AEC's letter of demand.

So what?

There's a big persuasive difference, for starters. His letter to the AEC intimated that he'd structured the AHPT specifically to avoid disclosure, on expert legal advice, and had then guaranteed confidentiality to his donors. His story to me now was that he had not given assurances of confidentiality and had not taken legal advice on disclosure until after hearing from the AEC: meaning he had misled the Commission to bolster his case against disclosure.

But the legal implications were more disturbing. The authority of 'legal advice' is worthless unless lawyers are prepared to put their name to it. So given Abbott told the AEC he'd got legal advice the question is not simply *when*, but also *if*.

Did he really get legal advice? Or did he just relay a few off-the-cuff observations from a lawyer mate – observations not made with intent to be represented as legal advice?

Why wouldn't Abbott say whether he briefed his lawyer with the AHPT deed? I'm a lawyer myself and self-respecting lawyers would *never* give advice without considering the relevant material if they knew clients intended to present it as authoritative.

Did Abbott's lawyer know that his 'assurance' would be used in this way? IF not, is that why Abbott wouldn't name his lawyer? IF so, why the problem in naming his lawyer now? Why would his lawyer be professionally unwilling to stand publicly by it?

Question: had Tony Abbott misled the Australian



Electoral Commission not only about the timing of his ‘legal advice’, but also about its very *existence*?

Section 137.1 of the Uniform Criminal Code Act (1992) states that providing (materially) false or misleading information or documents in ‘compliance or purported compliance with a law of the Commonwealth’ is a criminal offence carrying a penalty of imprisonment for twelve months.

On Tuesday, 9 September 2003, I phoned Brien Hallett to inform him of Abbott’s admissions. He said he would ‘send it up the line’.

Was the AEC finally asking Abbott the questions it failed to ask him in 1998?

‘I can’t give you a running commentary on what we’re doing,’ Hallett said, because the AEC didn’t want to broadcast its strategy. But he gave an assurance that the AEC was no longer just reading media reports and was actively investigating.

‘We do take our accountability [to voters] very seriously,’ he said.

I asked what penalties there were for misleading the AEC. He checked with the experts and confirmed that misleading the Commission would come under the Uniform Criminal Code.

‘We don’t have a view on whether he has misled,’ Mr Hallett said. ‘We don’t have enough evidence. If you have particular information you can put that before us.’

I wrote up the Abbott interview and published it on Web-diary. That was my evidence. The next day a fax arrived:

‘September 10, 2003

Dear Margo,

I’ve just been given your latest online piece.

The important facts remain: the Honest Politics Trust did not endorse candidates, support candidates or fund campaigns. I did not tell donors their names would be revealed when seeking donations because I had no reason to think they would be. I did not tell the lawyer whose advice I sought that his name would be revealed. I have always been upfront about my role in Australians for Honest Politics but don’t intend to say anything about other people’s roles except as required by law. To do otherwise would be to break faith with people who supported a good cause at a difficult time for Australia.

Yours sincerely, Tony Abbott’

Tony, the identity of your donors, and the purpose and activities of the AHPT, were no longer the only ‘live’ question. It was your lawyer we’d like to have heard more about. Still would.

The AEC went quiet after that.

I understand that it has demanded access to more documents and, as I write, is in protracted correspondence with Abbott’s lawyers. I also understand that a passionate internal

debate is underway within the AEC about the need to assert its independence.

The AEC is, in theory, in a strong position. Abbott has said over and over that if the AEC tells him to ‘I will be happy to disclose the donors’. But if there were nothing politically embarrassing in their identities they themselves would have come forward to defuse things by now. I think Abbott *would* argue the matter in court if push came to shove, and that his assurances to the contrary were for public consumption in the belief the AEC would not call his bluff.

Why not bring it on? The potential abuse of such trusts to destroy or exhaust new democratic players through the courts, for the benefit of the Big Parties, is obvious. If the AEC won in court it would have a legal precedent of enormous value for forcing disclosure from reluctant political parties. If it lost it could recommend strengthening the law. The ACCC does this all the time.

And what if the AEC doesn’t bring it on? The only citizens who can ask the Federal Court to order disclosure are Pauline Hanson and David Ettridge. Other citizens could ask the Federal Court to order the AEC to do its duty. Perhaps citizens could form their own AHPT to fund their own court action to, in Tony Abbott’s words, ‘preserve and strengthen the integrity of the electoral process’.

On 25 January 2004 I emailed Abbott some questions, which he replied to on 4 February.

MARGO: Was your lawyer briefed with the trust document before giving his or her legal advice?

ABBOTT: No.

MARGO: You say in your letter to the AEC that your lawyer ‘assured me that the Trust would not be covered by disclosure provisions’. Was that assurance given without reservation or qualification?

ABBOTT: Yes.

MARGO: Was your lawyer aware that you would use this advice for the purpose of representations to the Australian Electoral Commission?

ABBOTT: To the best of my recollection, yes.

MARGO: What is the basis on which you describe your lawyer as ‘one of Australia’s leading electoral lawyers’?

ABBOTT: My judgement.

MARGO: Why did you advise the AEC by letter that you had sought legal advice *before* seeking donations to the trust, when you sought the advice *after* receiving the AEC letter requesting disclosure?

ABBOTT: I had more than one conversation with the lawyer in question.

MARGO: Has the AEC sought further information from you in relation to the trust and the content of your letter to it?

ABBOTT: You should ask the AEC.

Thanks, Tony. Oh, yeah, just one more thing. It’s been bugging me for months.

MARGO: How did the [Australians for Honest Politics] trust get its name?

ABBOTT: I chose it.

In his letter to the AEC Abbott had said that ‘I very much doubt whether the framers of the Electoral Act would have wished to discourage those seeking to test and strengthen the electoral law.’

Yet while reporting this story I learnt that Abbott’s own government has done precisely that for years, starving the people’s watchdog of the funds to do its job on donation disclosure and thus intimidating it out of doing its job. This suits both Liberal and Labor, helping them avoid party politics interfering with their mutual donor ‘sins’, and such has been its progressive atrophy that the AEC now plays along. Even if the Big Parties are caught not disclosing – overwhelmingly by chance – the AEC never prosecutes.

There’s also the question of leadership. Throughout the Abbott controversy Commissioner Andy Becker refused all interview requests. Neither the way Becker was appointed nor his career so far inspires much ‘confidence in our electoral process’. Becker was a political appointment: Howard’s Cabinet overruled the selection committee’s view that he was unsuitable to be assistant commissioner in 1997, and again when it did not recommend him for the top spot in 2002.

Two months after Becker got the top job the AEC

admitted that he had agreed to supply our 8 million electoral roll names, complete with our birth dates and gender, to the Australian Taxation Office – so that John Howard could send us all a personalised covering letter with ATO information about the GST. Becker misled Senate Estimates on his knowledge of what would be sent to voters and had to correct the record twice. Privacy Commissioner Malcolm Crompton found that Becker was in breach of his legal duty not to hand over our private information without our permission.

Business as usual from top-level bureaucrats in John Howard's 'frank and fearless' public service.

There are, however, early signs that the AHPT fiasco has had some cleansing effects. At Senate Estimates in February 2004 the AEC announced a change in policy – it will now publish its decisions on disclosure and the reasons for them on a new web page to 'provide the client service people are looking for'. It's also investigating six organisations 'fronting' donations to the National Party, which the last returns revealed were all on the same floor of the same Sydney building.

One factor may be the increased media scrutiny the AHPT has inspired. Politicians are less inclined to 'heavy' statutory bodies when they know the country is paying attention. If we want the AEC to watch the politicians effectively for us, then perhaps we – and especially the media – must watch the watchdog in return.

But there's a long way to go before the original intent of the

1983 legislation is realised. Fifty-one AEC recommendations to tighten disclosure laws remain unheeded, while as far back as 2000 the AEC had told a parliamentary committee examining root and branch reform that disclosure laws were a farce because ‘full disclosure can be legally avoided’. That committee lapsed at the 2001 election and John Howard did not revive it. (The Senate did so in the wake of the AHPT scandal.)

Howard and Tony Abbott believe in a certain kind of politics for those parties that have the power and money to do whatever it takes to avoid our electoral laws, and another kind of politics for the battling ones that can’t.

Soon after Pauline Hanson was sent to jail, I wrote a Web-diary piece called ‘Mother of the Nation in Jail, It’s Father in Charge’:

‘The big brand names of politics and the big media – with all their considerable assets – worked tirelessly to silence the scream of the Hanson disfranchised. I wrote in my book about [Hanson’s] 1998 election campaign that Australia had been lucky that our brand of far-right nationalist politics had been amateur, unresourced, and too-quickly put together by carpetbaggers like David Oldfield and David Ettridge. What if a professional had captured the masses’ imagination – where would Australia be now?’

Now we know. A professional has stepped in. His name is John Howard.’

The ‘anti-democratic’ threat posed by Pauline Hanson inspired seven years of bitter division among those who, like Pauline, the battling Marrickville refugee activist, and her sister, the single mum who could get no help for her addicted son, should have been natural allies. As we all bickered the real enemy savaged Australia’s fair go, while stoking our resentments of outsiders to stop us looking closely at who was really causing our pain, anxiety and fear of what lay ahead.

Today, to gaze back upon 1996 from Howard’s post-GST, post-*Tampa*, post-Bali Australia – with its dog-eat-dog economics, its contempt for non-economic UN covenants on the environment and for international law, its destruction of our hard-earned global reputation in human rights and its normalisation of intolerance and mistrust – is to wonder, almost nostalgically, what it was about the redhead from Ipswich we could ever have been so scared of.

On 20 January 2004, just a few days after she’d announced her retirement from politics for good, Pauline Hanson sang a duet version of ‘I am Australian’ in Tamworth’s Oasis pub. Singing along beside her was 10-year-old Indigenous schoolgirl Nellie Dargan, who had opened up her heart to write to the woman who’d once declared that, while an MP, she would happily represent everyone in her electorate except Aborigines and Torres Strait Islanders.

Nellie had written ‘I know you will get lots of mail. My mum has been in jail, too.’

After they’d celebrated our way of life together in song,



Hanson hugged the child and said, 'I'm so very proud to be able to stand beside Nellie, who I think is a precious, darling child who has a big future in country music.'

Unyielding progressives might call that a belated, chastened and much-needed public apology. Unyielding conservatives might call it practical reconciliation in action. But, like so many of us now, I'm tired of the old arguments and the exhausting divisions, and prefer to call it something optimistic and forward looking.

Australian. Honest. Not politics. Hopeful.

**Postscript (2004):** the quest to reveal the ten remaining mystery donors goes on. I finished this chapter while the AEC dragged its feet on my Freedom of Information request for material on Abbott's Australians for Honest Politics Trust. The legislative deadline for handing over the documents passed, and then two extensions the AEC itself specified. The Commission gave no explanation for the delays. Finally it released some documents, including an extraordinary email from the decision-maker Brad Edgman in 2003, after I lodged an FoI request for documents on my FoI request! Even later the AEC finally released the trust deed. The witness to the signature was blanked out and the last two pages, including what looks like a receipt for stamp duty, were illegible. The AEC did not even ask for legible copies to be sent before letting Abbott off the disclosure hook. It then told Senate Estimates it sought legal advice before releasing

relevant documents – something it failed to do when exempting Abbott from disclosing his donors to the Australian people. The AEC’s actions remain at odds with its charter.

Edgman sent the damning email to Brien Hallett and the AEC’s executive group on 26 August 2003 after journalists asked why the AEC had run dead on the AHPT:

‘The letter Abbott is talking about [exempting him from disclosure] was signed by me. Back in FAD [the AEC’s Funding and Disclosure Branch] in 1999 we considered whether his trust might be an associated entity. The bottomline conclusion was that, on the scant information available at the time, it couldn’t be concluded to be such . . .

The basis of this conclusion, as Brien [Hallett] and I discussed earlier this afternoon, was that the trust’s operations were aimed at causing a political party harm rather than to benefit any particular party/ies. In other words, it does not meet the Act’s definition of associated entity. This is no real surprise, as the provision was introduced to cover front organisations that were being used to launder party donations and transactions (ie “benefits”) . . .’

You can only wonder what form Edgman’s ‘considered’ attention took, as there is absolutely nothing in the AEC’s file in 1998 or 1999 evidencing any consideration at all. No memo, no email, no file note, no record of discussion – nothing came to light after my FoI request. And why did it take the AEC eight months to reply to Abbott’s letter

seeking exemption from disclosure? Yet another ‘unfortunate oversight’, according to Edgman in another email.

The AEC has extensive powers to get the information it needs to make an informed decision. It did not do so, and reached its decision on the basis of ‘scant information’. Why?

Edgman’s reasoning is logically as well as legally untenable. To say a group dedicated to destroying one party can’t be doing it to benefit another – in this case the Liberal Party – is ludicrous.

Electoral law expert Joo-Cheong Tham said of Edgman’s decision:

‘Disturbingly, the email indicates that the AEC’s 1999 conclusion was made without adequate information. Further, it suggests that no serious attempt was made to obtain such information. More generally, it reveals an artificially narrow approach to the “associated entity” provisions that risks hollowing out these provisions. With such an approach, front organisations engaged in negative campaigning would, for example, fall outside the definition of “associated entity”.’

Edgman’s email of 26 August 2003 also shows that Hallett misled me on 1 September 2003 when he said he did not know why the AEC had let Abbott off in 1999.

And other documents show that at the same time the AEC was refusing to release its 1998–99 exchange of letters with Abbott to the Australian people it was charged with

serving, it jumped to attention when Abbott – the alleged law breaker – asked for copies at the height of the scandal. The AEC delivered them on the same day.

We're talking dereliction of duty by the AEC, followed by a sustained and determined cover-up. Howard has presided over the collapse of the AEC as a credible watchdog of democracy, at least when it comes to political donations. A root and branch overhaul is urgently required.

**Postscript (2007):** my prediction that Abbott was lying yet again when he told the public that he 'will be happy to disclose the donors' if the AEC asked him to proved correct. Sid Maher reported in the *Australian* on 30 December 2004 that legal advice in April 2004 to the AEC, obtained under FoI laws, said there was enough evidence to order Abbott to produce the trust's financial records, which would disclose its donors. The AEC ordered Abbott to disclose the next month. On 8 June Abbott asked the AEC to overturn the order because it was 'unreasonable'. Even if the AEC was right legally, it was unfair to force him to reveal his donors six years after the event, he wrote. In other words, forget your duty to the people and do me a favour, okay? The AEC duly 'set aside the decision to issue the notice'. It gave the public no reason why and closed the file. It also closed the file on Abbott's financial dealings with Terry Sharples, overriding legal advice given to it and obtained by Mark Davis of the *Australian Financial Review*.

On 21 June 2006 the government passed laws raising the donation disclosure threshold from \$1,500 to \$10,000, the amount Abbott's donors gave. Indexed for inflation, of course – the current threshold is \$10,300. Not only that, a donor could give \$10,300 to every state and territory branch of a party as well as the federal branch, allowing secret donations by one person or company of \$90,000 to Labor and \$140,000 to the Coalition. Every single non-government senator and MP – Labor, Greens, Democrats, Family First and Independent – strongly opposed the changes as anti-democratic and invitations to corruption. It could only happen because Australians gave Howard Senate control.