

Brien Hallett  
26/08/2003 12:48 PM

To: Executive/CO, Kathy Mitchell/ACT/AEC@AEC, Brad Edgman/ACT/AEC@AEC, Anne Bright/QLD/AEC@AEC, David Farrell/NSW/AEC@AEC  
cc: Information Officers/AEC, Paul Anderson/ACT/AEC@AEC

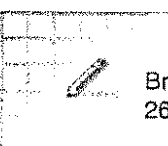
Subject: Enquiry by [redacted] re role of Tony Abbott MP in Hanson case

Colleagues [redacted] from the [redacted] has asked the same questions re Abbott as [redacted]

I have repeated what I said to [redacted] asked "off the record" what the AEC made of this case and whether we had a view on pro bono. I said that at this stage we did not know enough about the specifics.

FYI  
BH

----- Forwarded by Brien Hallett/ACT/AEC on 26/08/2003 12:51 PM -----



Brien Hallett  
26/08/2003 12:02 PM

To: Executive/CO, Kathy Mitchell/ACT/AEC@AEC, Brad Edgman/ACT/AEC@AEC, Anne Bright/QLD/AEC@AEC, David Farrell/NSW/AEC@AEC  
cc: Information Officers/AEC, Paul Anderson/ACT/AEC@AEC

Subject: Enquiry by [redacted] re role of Tony Abbott MP in Hanson case

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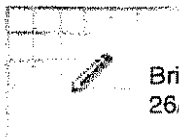
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I then spoke more generally and said that if individuals or groups (such as parties) had a disclosure obligation, we would expect them to disclose.

[redacted] asked what had to happen for us to follow something up and I said that there were three factors here:

1. spirit of the disclosure legislation was to "shine a torch" on gifts, receipts, donations etc
2. AEC conducted regular rolling compliance audits of parties
3. we would consider complaints put before us.

FYI  
BH



Brien Hallett  
26/08/2003 04:35 PM

To: Executive/CO  
cc: Anne Bright/QLD/AEC@AEC, David Farrell/NSW/AEC@AEC, Phil Diak/ACT/AEC@AEC, Paul Anderson/ACT/AEC@AEC, Bernadette O'Meara/ACT/AEC@AEC, Brad Edgman/ACT/AEC@AEC, Kathy Mitchell/ACT/AEC@AEC

Subject: Enquiry by [redacted] re Abbott and PHON

Further to [redacted] call at lunch time, he rang again and referred to the Hansard of 30 May 2002 where the AEC was questioned by Sen Faulkner re whether Mr Abbott's involvement in the Sharples/Hanson matter was a disclosable matter and we said we would get a legal opinion. He asked if we had got that opinion and what it said.

After discussion with Brad, Doug and Tim P, I rang [redacted] back and advised that we do not comment on our legal advice (either content or whether we had actually sought it in the first place). He said that he understood that we would not comment on the content, but was surprised that we would not say what whether we had sought an opinion or not.

[redacted] then rang back to say that [redacted] had talked to Tony Abbott who had received a letter from the AEC in 1999 asking whether he would disclose details of his support for Australians For Honest Politics. [redacted] said that Abbott said that he (Abbott) wrote back to the AEC and that his answer that he did not have disclosure obligations was accepted. [redacted] wanted a copy of this letter. I talked to Doug and rang [redacted] back and said that we did not release copies of correspondence to third parties. I said that if Mr Abbott wanted to release a letter he had from the AEC, that was matter for him, but that we would not.

[redacted] was not happy with this and said [redacted] would write about it in tomorrow's paper (presumably about being 'stonewalled' - my word, not [redacted])

FYI

Phil Diak 26/08/2003 04:08 PM

To: Brien Hallett/ACT/AEC@AEC, Doug Orr/ACT/AEC@AEC  
cc: Kathy Mitchell/ACT/AEC@AEC, Brad Edgman/ACT/AEC@AEC

Subject: Inquiry from [redacted] re a file listed on AEC website "Australians for Honest Politics Trust - Question of Associated Entuty"

Colleagues

For information.

[redacted] called to advised [redacted] had searched through the front of the AEC website under "Australians for Honest Politics Trust" and unearthed a link to a list of files (Harradine amendment) including the following entry:

**00/244 LEGAL SERVICES - COMPLIANCE - LEGAL REQUIREMENTS - \*\*\* \*\* - AUSTRALIANS FOR HONEST PI**

[redacted] asked whether she could access the file. I advised her to put in an FOI to the AEC Access Officer which

[redacted] asked whether I could rule in our out 100% whether the Australians for Honest Politics Trust was a deemed by th  
said [redacted] had checked our funding and disclosure webcontent, but was sure there was no mention of the Trust an  
I said this was emerging issue, and that I did not have a comment on the status of the Trust at this stage. [redacted] accept

[redacted] said [redacted] would await the result of [redacted] FOI request and we left it at that.

(I did not clarify whether [redacted] was a researcher at the [redacted] or the journalist - I hadn't heard from [redacted] before)

Phil

Phil Diak  
Director, Information

Brien Hallett  
26/08/2003 12:02 PM

To: Executive/CO, Kathy Mitchell/ACT/AEC@AEC, Brad Edgman/ACT/AEC@AEC, Anne  
Bright/QLD/AEC@AEC, David Farrell/NSW/AEC@AEC  
cc: Information Officers/AEC, Paul Anderson/ACT/AEC@AEC

Subject: Enquiry by re role of Tony Abbott MP in Hanson case

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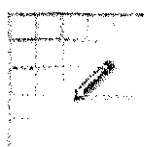
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2. AEC conducted regular rolling compliance audits of parties
3. we would consider complaints put before us.

FYI  
BH

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Karen Holas  
26/08/2003 05:27 PM

To: Doug Orr/ACT/AEC@AEC, Paul Dacey/ACT/AEC@AEC, Tim Pickering/ACT/AEC@AEC  
cc: Brien Hallett/ACT/AEC@AEC, Phil Diak/ACT/AEC@AEC, Kathy Mitchell/ACT/AEC@AEC, Nicole Lawley/ACT/AEC@AEC

Subject: Response to Ministers office re Tony Abbott/Faulkner Issue

I returned Renee's call and advised her of the following:

1. We would need to chase up files on correspondence to Mr Abbott as these were not readily available.
2. I would therefore not be able to get back to her on whether the AEC had responded until such time as I accessed the files.
3. After accessing the files I would be able to let her know whether the AEC had responded and the date etc but **would not be** in a position to provide the Minister's office with a copy of the correspondence as it was confidential between the AEC and Mr Abbott (one of the Trustees of the organisation "Australians for Honest Politics").
4. Renee indicated that Mr Abbott would be contacting the AEC for a copy of the correspondence or alternatively that the Minister's office would be forwarding a request from him for the AEC to release the letter to them (as in the situation).

I asked Renee to put her question in an email. See her email below.

Karen Holas

----- Forwarded by Karen Holas/ACT/AEC on 26/08/2003 05:24 PM -----



"Prestt, Renee" <Renee.Prestt@finance.gov.au> on 26/08/2003 05:05:55 PM

To: <karen.holas@aec.gov.au>  
cc:

Subject: Correspondence


Hi Karen,  
As discussed, could you please advise as soon as possible if the Australian Electoral Commission responded to a letter from Tony Abbott, dated October 20 1998.  
Many thanks,  
Renee

Finance Web Site:

[www.finance.gov.au](http://www.finance.gov.au)

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Brad Edgman  
26/08/2003 06:26 PM

To: Brien Hallett/ACT/AEC@AEC  
cc: Executive/CO, Anne Bright/QLD/AEC@AEC, David Farrell/NSW/AEC@AEC, Phil Diak/ACT/AEC@AEC, Paul Anderson/ACT/AEC@AEC, Bernadette O'Meara/ACT/AEC@AEC, Kathy Mitchell/ACT/AEC@AEC

Subject: Re: Enquiry by re Abbott and PHON 

The letter Abbott is talking about was signed by me. Back in FAD 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. My letter would not have canvassed the reasons, simply given him our conclusion, and would not have bound the AEC should fresh information come to hand.


The basis of this conclusion, as Brien 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").

In considering what the disclosure responsibilities of this trust might be, I would suggest that we speculate that the trust was set up by Sharples and not Abbott. I think, then, that noone would be asking whether it was an associated entity. And that's the crux of the Act's definition as I see it: the conclusion must be drawn from the operations of this trust . There is nothing in the definition about who is involved in an organisation.

I'm happy to discuss my thoughts in more detail if needed.

Brad

Brien Hallett

  
Brien Hallett  
26/08/2003 04:35 PM

To: Executive/CO  
cc: Anne Bright/QLD/AEC@AEC, David Farrell/NSW/AEC@AEC, Phil Diak/ACT/AEC@AEC, Paul Anderson/ACT/AEC@AEC, Bernadette O'Meara/ACT/AEC@AEC, Brad Edgman/ACT/AEC@AEC, Kathy Mitchell/ACT/AEC@AEC

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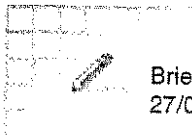
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FYI





Brien Hallett  
27/08/2003 01:48 PM

To: Chris Drury/SA/AEC@AEC  
cc: Executive/CO, Phil Diak/ACT/AEC@AEC, Kathy Mitchell/ACT/AEC@AEC, Brad Edgman/ACT/AEC@AEC, Nicole Lawley/ACT/AEC@AEC, Karen Holas/ACT/AEC@AEC, Bernadette O'Meara/ACT/AEC@AEC, Paul Anderson/ACT/AEC@AEC

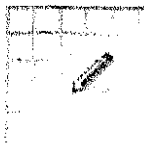
Subject: Interview with 5AA - Adelaide

Colleagues

Have just done an interview with Nicole on 5AA in Adelaide re the mechanics of disclosure, associated entities etc. Kept it very general, talked about transparency etc. Explained what associated entity was. She had promised to stay away from Hanson and Abbott and only mentioned them once in passing at the end and did not really ask for comment on them. I said we had not formed a view at this stage and said Hanson case was state matter. I gather Mark Latham was to follow me.

Emerging issue now seems to be whether Abbott should declare who the donors were to Australians for Honesty in Politics (Apparently that's what Latham was going to talk about).

Transcript to come



Bernadette O'Meara  
01/09/2003 09:52 AM

To: Kathy Mitchell/ACT/AEC@AEC, Brien Hallett/ACT/AEC@AEC  
cc:

Subject: Media alert - FYI

Please find below a media alert (which seems to contain a direct criticism of the AEC from democrats MP). Do you want a transcript??

Cheers  
Bernadette

----- Forwarded by Bernadette O'Meara/ACT/AEC on 01/09/2003 09:56 AM -----



Media Monitors"  
@mediamonitors.com.au> on 01/09/2003 09:53:56 AM

To: cAEC <cAEC@mediamonitors.com.au>  
cc:

Subject: 2SM Tricia Duffield 01/09/2003 09:26 AM

SummaryID: S00011462739  
Compere: Tricia Duffield  
Duration: 10:21

Duffield reveals Workplace Relations Minister Tony Abbott is under increasing pressure to name donor to the slush find against Pauline Hanson. Meanwhile allegations from Terry Sharples today claim Tony Abbott was connected to at least 3 anti-Hanson slush finds and says he will sue for defamation. Murray points out these allegations from Sharples are not in fact allegations but fact. He says the one donor that has been identified, Harold Clough has also been connected with a slush fund in the past set up to derail the Democrats. He says the same thing has been done against the Democrats with the same person involved - Clough. He says it is obvious that a major political party benefits from decline of a minor party. He doesnt have a problem with people associating themselves and donating to a party but it has to be public. He says there is a cultural problems at the Electoral Commission and tend to be reactive than proactive, and the govt will not give them the proper powers they need. Duffield is very disturbed by what Murray has revealed.

Interviewees: Senator Andrew Murray, Democrats MP

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## AEC took Abbott's word for it to keep 'honest politics' donors secret

By Margo Kingston

September 3, 2003 - 7:45PM

The Australian Electoral Commission withdrew its 1998 demand that Tony Abbott reveal the donors to his 'honest politics' slush fund without seeing Mr Abbott's legal advice or taking its own.

The AEC man then responsible for disclosure of political donations, Mr Brad Edgman, told the Herald that he backed down after Mr Abbott wrote claiming he had legal advice that he need not disclose the donors. Mr Edgman said he had never seen that advice, and did not get his own legal advice before bowing to Mr Abbott's demand to maintain secrecy.

The AEC has refused for more than a week to disclose the basis of its backdown in 1998, but Mr Edgman said yesterday he made the decision, along with his superior, based on Mr Abbott's letter, the 'honest politics' trust deed, and a look at the law concerning "associated entities" of political parties.

Asked why he decided the honest politics trust was not an associated entity of the Liberal Party, Mr Edgman said: "I'd have to go back and have a look at it." Mr Edgman is now director of the AEC's parliamentary and ministerial section.

Asked why he took eight months to reply to Mr Abbott's letter claiming secrecy for his donors, he said: "I couldn't tell you, I really don't know what the delay was about."

Several electoral experts have challenged the AEC on its decision, saying the trust was clearly or at least possibly an "associated entity" of the Liberal Party. The AEC took legal advice only after Labor warned that setting up legal slush funds to destroy other parties created a huge loophole in political donations disclosure laws. But it will not release that advice, and admitted yesterday it was not even investigating the matter in light of new developments since the jailing of Pauline Hanson. The AEC said it was merely "monitoring" media reports.

*This story was found at: <http://www.smh.com.au/articles/2003/09/03/1062548900147.html>*



## Senator John Faulkner

Leader of the Opposition in the Senate  
Shadow Special Minister of State and Shadow Minister for Home Affairs

Mr Andy Becker  
Electoral Commissioner  
Australian Electoral Commission  
PO Box E201  
KINGSTON ACT 2604

Dear Mr Becker

Thank you for your reply of 28 August 2003 to my letter regarding the declaration of funds raised by Mr Tony Abbott MP.

In your reply, you state that the question of whether the arrangements between Mr Abbott and Mr Terry Sharples amounted to a gift under the *Commonwealth Electoral Act 1918* was "under active consideration".

I was surprised by a report in a media article (attached) that the AEC was not investigating the above matter nor the additional matters raised in my letter of 26 August 2003, but was "merely monitoring media reports". I would appreciate your early advice on the status of this matter.

Further, I note the AEC's media release on 1 September 2003 stated:

The Electoral Act stipulates that an associated entity is an organisation set up to benefit a registered political party. (*my emphasis*)

In my view, a consideration of only why an organisation was "set up" might narrow the criteria by which an organisation's association with a political party is measured. The broad test set out in Section 287 is whether the organisation "operates" to the benefit of a political party, which may include, but is not limited to, an assessment of why it was set up.

In light of recent comments by Mr Abbott, the Prime Minister, Mr Peter Coleman and The Hon. Peter Costello MP, it is becoming clearer that the trust fund "**Australians for Honest Politics**" was formed and operated to benefit the Liberal Party in a party political exercise against a political rival, namely Pauline Hanson's One Nation Party.

Yours sincerely

JOHN FAULKNER

4 September 2003

*Ms Mitchell*

*Can you pls respond to this*

**ATTENTION :** Mr. T. Morling <sup>on</sup>  
Chairman  
Australian Electoral Commission

Fax No. : (02) 6271 4558

From :

Fax No:

Date: 3rd September, 2003

Subject: Trust Fund Australians for Honest Politics

Total # of Pages including cover Page : 7

Message:

Original letter in mail.

158

3 September, 2003.

Mr. T. Morling  
Chairperson  
Australian Electoral Commission  
P.O. Box 6172  
KINGSTON ACT 2604

Dear Mr. Morling,

**Trust Fund Australians for Honest Politics**

The Commonwealth Electoral Act of 1918 established the Australian Electoral Commission as the organisation which oversees the said Act. Part of Section 7 of the Commonwealth Electoral Act of 1918 states that :

**7 Functions and Powers of Commission**

(1) The functions of the Commission are:

(a) to perform functions that are permitted or required to be performed by or under this Act, not being functions that:

(c) to promote public awareness of electoral and Parliamentary matters by means of the conduct of education and information programs and by other means; and

(d) to provide information and advice on electoral matters to the Parliament, the Government, Departments and authorities of the Commonwealth; and

(3) The Commission may do all things necessary or convenient to be done for or in connection with the performance of its functions.

Yesterday (2/9/03) your Mr. Becker was quoted in a Press Release as stating that :

"We are charged with ensuring that the disclosure requirements of the Electoral Act are met, even when this involves seemingly knowledgeable and articulate groups."

The AEC is a politically neutral organisation charged with monitoring the disclosure obligations of all players in the political process and will do so without fear or favour."

It is for this reason that I am writing to you regarding the Trust Fund Australians for Honest Politics which I believe to be a "related entity" of the Liberal Party of Australia.

I will outline below the evidence on which I base my belief that the Trust Australians for Honest Politics is a "related entity" of the Liberal Party.

### Evidence

1. The Trust Fund Australians for Honest Politics has three Trustees. The three Trustees are Tony Abbott M.H.R., Peter Coleman (former Liberal Party politician) and John Wheeldon (former Labor Party politician).
2. On Thursday 28th August, 2003 The Australian published an Opinion piece written by Peter Coleman. Peter Coleman stated that :

" I saw One Nation as a threat not so much to civilisation as to the Coalition."

The Coalition is a group consisting of the Liberal Party of Australia and the National Party of Australia. The Liberal Party of Australia and the National Party of Australia are both registered as Political Parties with the Australian Electoral Commission. Peter Coleman is saying that he viewed One Nation (correctly registered with the Australian Electoral Commission) Political Party as a threat to the Coalition Party (Liberal Party and National Party).

3. On the 26th of August, 2003 the Sydney Morning Herald published an article written by Mike Secombe titled "Abbott set up slush fund to ruin Hanson". This article states :

One of the Howard Government's most senior ministers last night revealed he raised nearly \$100,000 to lay the groundwork for Pauline Hanson's prosecution for electoral fraud.

The Minister for Workplace Relations, Tony Abbott, admitted setting up a trust, Australians for Honest Politics, from donations to pay for legal actions against Hanson and her party, One Nation.

He had also organised a separate "donor" to support a One Nation dissident, Terry Sharples, in seeking an injunction to block One Nation from receiving public electoral funds.

Mr Abbott said the money was promised to cover Mr Sharples if the case failed and costs were awarded against him.

The article also went on to state :

"There was myself and two other trustees. We raised . . . it may not have been \$100,000 but it was certainly close to \$100,000 and the job of Australians For Honest Politics was to fund court cases against One Nation." Mr Abbott did not say who contributed.

He said most of the money had been spent trying to get another One Nation defector, Hanson's former private secretary Barbara Hazelton, to take legal action to stop the payment of \$470,000 in public election funding, following the failure of similar action by Mr Sharples.

Ms Hazelton had decided not to go ahead, Mr Abbott said. "By



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that stage we'd spent a lot of money and the balance . . . was distributed back to the donors in proportion to their original contribution."

He said his \$10,000 offer to Mr Sharples was made in light of a disputed agreement between them that Mr Sharples would be covered by an open-ended indemnity for the costs of action against Hanson and One Nation.

4. On the 27th of August, 2003 the ABC television programme The 7:30 Report aired an interview of Tony Abbott M.H.R. by Kerry O'Brien. In the interview Tony Abbott stated :

TONY ABBOTT: No, because at that point in time I believe I may still have had some kind of an involvement with Terry Sharples, but after the Sharples matter wasn't going to progress anywhere, or certainly wasn't going to progress anywhere with my assistance, I then thought, "Well, it is really important to regularise this whole thing", and that's why --

From the same interview Tony Abbott does not deny that :

- he and Terry Sharples met on July 7th, 1998 and

- on July 11th, 1998 Tony Abbott furnished Terry Sharples with a handwritten Guarantee that "he would not be out of pocket" regarding the proposed Court action Terry Sharples was going to initiate regarding the One Nation Party.

From this interview the following questions arise :

- A. What "whole thing" was irregular that Tony Abbott thought that "it is really important to regularise" ?
- B. Had Tony Abbott already collected funds which were being held in a bank account of :
  - a) the Liberal Party ?
  - b) the Trust Fund of a solicitor ?
- C. Where were the funds that Tony Abbott referred to in his Guarantee to Terry Sharples on July 11th, 1998 being held in a bank account ? If so, whose bank account ?

5. During a Doorstop Interview on the 27th of August, 2003 Prime Minister John Howard was asked about Tony Abbott. Mr. Howard stated that :

JOURNALIST:

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

PRIME MINISTER:

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

**Electoral Law  
Commonwealth Electoral Act of 1918**

**Section 287 of the Commonwealth Electoral Act of 1918 states :**

**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.

**Section 314AEA the Commonwealth Electoral Act of 1918 states that :**

**314AEA Annual returns by associated entities**

(1) If an entity is an associated entity at any time during a financial year, the entity's financial controller must furnish a return to the Electoral Commission, in the approved form, within 16 weeks after the end of the financial year, setting out:

(a) the total amount received by, or on behalf of, the entity during the financial year, together with the details required by section 314AC; and

(b) the total amount paid by, or on behalf of, the entity during the financial year; and

(c) if the entity is an associated entity at the end of the financial year—the total outstanding amount, as at the end of the financial year, of all debts incurred by or on behalf of the entity, together with the details required by section 314AE.

(2) Amounts received or paid at a time when the entity was not an associated entity are not to be counted for the purposes of paragraphs (1)(a) and (b).

(3) If any amount required to be set out under paragraph (1)(b):

(a) was paid to or for the benefit of one or more registered political parties; and

(b) was paid out of funds generated from capital of the associated entity;

the return must also set out the following details about each person who contributed to that capital after the commencement of this section:

(c) the name and address of the person;

(d) the total amount of the person's contributions to that capital, up to the end of the financial year.

(4) Subsection (3) does not apply to contributions that have been set out in a previous return under this section.

(5) Sections 314AC and 314AE apply for the purposes of paragraphs (1)(a), (b) and (c) of this section to a return for an associated entity in the same way as they apply for the purposes of paragraphs 314AB(2)(a), (b) and (c) to a return for a registered political party.

**Section 305B of The Commonwealth Electoral Act 1918 Section 305B states:**

**305B Donations to political parties**

(2) If a person makes a gift to any person or body with the intention of benefiting a particular registered political party or State branch of a registered political party, the person is taken for the purposes of subsection (1) to have made that gift directly to that registered political party or branch.

**Conclusion**

A. Given that Peter Coleman, Trustee for Australians for Honest Politics, saw the threat of one political party to another as the reason for establishing the said Trust and that John Howard said that it is the job of political parties to attack other political parties then it is reasonable to assume that if a Liberal Party Government Minister, by the name of Tony Abbott, collects money then John Howard sees Tony Abbott collecting money for a political party to perform a political attack.

B. The political attack by Tony Abbott was in the form of encouraging individuals to pursue the One Nation Party through the legal system producing the eventual non-registration of the Queensland Branch of the One Nation Party.

The effects of this attack by Tony Abbott resulted in :

- un-registration of the Queensland branch of the One Naion Party
- nationally resulted in the drop of membership of the One Nation Party
- the electoral loss of votes in the Federal election in November 2001

C. Section 287 of the Commonwealth Electoral Act of 1918 gives the definition of an associated entity for a political party. An associated entity is an entity that operates wholly or to a significant extent for the benefit of one or more registered political parties.

The benefit to the Liberal Party was an increased vote at the November 2001 Election by :

- fewer One Nation candidates nominating as candidates in electorates held by the Liberal Party
- a greater percentage of people giving their first preference votes to the Liberal Party

### Questions

1. Could the Australian Electoral Commission please inform me as to why they made the decision that the Trust Fund Australians for Honest Politics was not an "associated entity" of the Liberal Party of Australia ?
2. Could the Australian Electoral Commission please confirm if the donations of over \$1,500 that were made by individuals and companies, such as Mr. Clough of Clough Industries and Trevor Kennedy, were declared to the Australian Electoral Commission as donations to Political Parties by Section 305B of the Commonwealth Electoral Act of 1918?
3. Could the Australian Electoral Commission confirm if the monies collected, from individuals and companies such as Mr. Clough of Clough Industries and Trevor Kennedy, prior to the establishment of the Trust Fund Australians for Honest Politics were not included in the Annual Returns of the Liberal Party that is required under Section 314AB of the Commonwealth Electoral Act of 1918?

Yours faithfully,

00/244, 12.  
102

Phil Diak 27/08/2003 03:15 PM

---

To: Executive/CO, Kathy Mitchell/ACT/AEC@AEC, Brad Edgman/ACT/AEC@AEC, David Farrell/NSW/AEC@AEC, Anne Bright/QLD/AEC@AEC, Paul Anderson/ACT/AEC  
cc: Gabe Reid/ACT/AEC@AEC, Bernadette O'Meara/ACT/AEC@AEC

Subject: Media inquiries update: Australians for Honest Politics Trust

Colleagues

I have spoken to [redacted] from the Age, and [redacted] from the Financial Review, both seeking our position on the status of the Australians for Honest Politics Trust with the AEC in light of developments in this issue today including interviews with Min Abbott on ABC and Laws this morning.

I have advised both journos that *in 1998 we believed the Trust was not an associated entity. We are maintaining a watching brief on current information, and reviewing the situation accordingly.*

Beyond that I had no comment.

[redacted] also identified a file listed on our Website which has "Australians for Honest Politics" as part of its title and he may put in an FOI to seek access to it. We were already aware of this file listing on our website. [redacted] journalist from the Australian also indicated she would put in an FOI for the same file when she called yesterday.

Phil Diak  
Director, Information



File Ref fad2190-2000/244  
Contact Officer K Mitchell  
Phone 02 6271 4413  
Fax 02 6271 4555

West Block Offices  
Parkes ACT 2600

PO Box E201  
Kingston ACT 2604

Telephone (02) 6271 4411  
Facsimile (02) 6271 4556  
www.aec.gov.au  
ABN 21 133 285 851

Dear

I refer to your letter of 3 September 2003 to Justice Morling concerning the trust fund Australians for Honest Politics.

In your letter you ask the following three questions:

1. 'Could the Australian Electoral Commission please inform me as to why they made the decision that the Trust Fund Australians for Honest Politics was not an "associated entity" of the Liberal Party of Australia?
2. Could the Australian Electoral Commission confirm if the donations of over \$1500 that were made by individuals and companies, such as Mr Clough of Clough Industries and Trevor Kennedy were declared to the Australian Electoral Commission as donations to Political Parties by Section 305B of the Commonwealth Electoral Act 1918?
3. Could the Australian Electoral Commission confirm if the monies collected, from individuals and companies such as Mr Clough of Clough Industries and Trevor Kennedy, prior to the establishment of the Trust Fund Australians for Honest Politics were not included in the Annual Returns of the Liberal Party that is required under Section 314AB of the Commonwealth Electoral Act of 1918?'

The definition of associated entity is set out in subsection 287(1) of the *Commonwealth Electoral Act 1918* (the Act) as follows:

'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.

In response to your questions I wish to advise that:

1. The Australian Electoral Commission (AEC) determined that, on the information available to it at the time, the Australians for Honest Politics trust fund did not meet the definition of associated entity as set out in the Act.

- 110
2. The AEC does not have the resources to search back through financial disclosure returns in order to be able to answer this question. However, these returns are available for public inspection at the AEC's central office in Canberra or on request at its Head Offices in capital cities.
  3. The AEC does not have the resources to search back through financial disclosure returns in order to be able to answer this question. However, these returns are available for public inspection at the AEC's central office in Canberra or on request at its Head Offices in capital cities.

For your information, annual financial disclosure returns from the 1998/1999 financial year onward and election financial disclosure returns for the 2001 federal election are available for public inspection on the AEC's website ([www.aec.gov.au](http://www.aec.gov.au)) through the 'annual disclosures returns' icon on the home page

The AEC is committed to its core values of: independence and neutrality, integrity and accuracy, mutual respect, respect for the law, service and transparency. The AEC's actions on this matter have been and continue to be fully consistent with these values.

However, the AEC asks its clients to appreciate that in dealing with legislative compliance issues the AEC must give due regard to confidentiality. Unnecessary publicity may prejudice their further investigation.

The AEC has a policy of considering matters that are raised with it either directly or through public forums such as the media. The AEC treats these matters seriously and as such, must ensure that it deals with them in a consistent, considered and equitable manner. Accordingly, the AEC does not offer comments on matters until it has had the opportunity to research and consider all information available and has come to an informed conclusion.

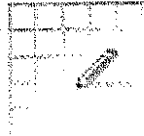
The matters that you have raised in your letter will be included in the AEC's consideration of this issue.

Yours sincerely



Kathy Mitchell  
Director  
Funding and Disclosure

15 September 2003



Brien Hallett  
01/09/2003 03:16 PM

To: National Executive/CO  
cc: Kathy Mitchell/ACT/AEC@AEC, Brad Edgman/ACT/AEC@AEC, Phil Diak/ACT/AEC@AEC,  
Bernadette O'Meara/ACT/AEC@AEC

Subject: Hanson/Abbott etc

Colleagues

Margo Kingston from the SMH has called me and she has asked a range of questions, in particular:

1. Has the AEC seen the Austs for Political Honesty Trust deed?  
Suggest No Comment
2. Has the AEC seen Abbott's reported legal advice?  
Suggests no comment - Matter for Mr Abbott
3. Did the AEC seek legal advice in 98/99? (ie before Faulkner's question in 2002) ?
4. What is the evidentiary basis for our decision in 1998/9? ?

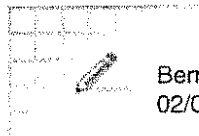
Ms Kingston made a range of spirited suggestions that the AEC was "captive of Govt...it was just like the children overboard affair...there is no confidence in AEC following the story published by Seccombe in SMH on Saturday, we owe it to the Australian people to release the legal advice we have received...etc" I corrected her assertion that "nobody would talk to Mike Seccombe last week, and indicated that I had talked to him several times and answered his questions as best I could. I now understand that Kathy had also talked to him. I also questioned how much of the full picture that the expert in Seccombe's story had and she then took the tack that the AEC "owed it to the Australian people not to sit on this one..."

Can I please get some advice re how I respond to the above questions?

BH



at 244, 16  
136



Bernadette O'Meara  
02/09/2003 04:22 PM

To: Executive/CO, AEO/AEC, Kathy Mitchell/ACT/AEC@AEC  
cc: Phil Diak/ACT/AEC@AEC

Subject: AEC letter to the editor - FYI

Please find attached a 'letter to the editor' which has just been submitted by the A/g Electoral Commissioner to the Letters Editor of the Sydney Morning Herald.

For your information.



letter to the editors.doc

Regards  
Bernadette O'Meara  
Information Section

135

Letters Editor  
Sydney Morning Herald  
By fax transmission: 02 9282 3492

Dear Editor

I wish to address certain matters raised by Mike Secombe ("Tricks of the trade", *Herald*, August 30-31) regarding the Australians for Honest Politics Trust and by Margo Kingston (*Herald* website, 1 September).

When this matter was first raised five years ago, the AEC determined at that time the group was not an associated entity as specified by the Commonwealth Electoral Act. The Act clearly stipulates that an associated entity is an organisation set up to benefit a registered political party.

When any new information comes to light the AEC gives it careful consideration, but an impulsive reaction to what is a complex issue is inappropriate. There is an important difference between being 'tardy' and acting in a deliberate and measured way.

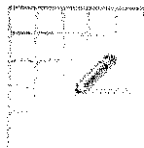
In regards to the claim that the AEC has not been 'frank' on this issue, the AEC's well-regarded transparency in electoral matters is not always obvious when following the due and fair processes that such complex issues demand.

The AEC is an independent statutory authority charged with ensuring that the disclosure requirements of the Electoral Act are met, even when this involves seemingly high profile and articulate groups.

As a politically neutral organisation, the AEC will continue to monitor the disclosure obligations of all players in the political process without fear or favour.

Paul Dacey  
Acting Electoral Commissioner  
2 September 2003

00/244,17.  
105



Brad Edgman  
03/09/2003 04:30 PM

To: Executive/CO, Kathy Mitchell//ACT/AEC@AEC, Phil Diak//ACT/AEC@AEC  
cc:

Subject: call from Margo Kingston

At about 10 to 4 this afternoon I answered my phone to a transferred call from Margo Kingston - I don't know who transferred her call to me. She started off immediately by saying that she had been told that junior staff to me had stated to me that they thought the Abbott Trust was an associated entity but that I'd ignored them. I stated that that was not my recollection, and that very few people were involved in the deliberations over the trust. She went on to ask:

had I seen Abbott's legal advice - "no"

had I obtained separate legal advice - "no"

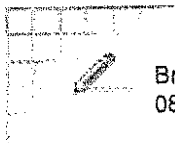
why not - "because it did not seem necessary in reaching the decision"

why I had made the decision I had - "because the Trust did not appear to meet the Act's definition of what is an associated entity"

She also was particularly interested to know why it had taken 8 months to get an answer to Abbott. I said I couldn't recall off the top of my head, but I did not believe that there was any particular reason. (I am not certain, but I think the failure to send the letter to Abbott telling him that the Trust did not need to disclose was an unfortunate oversight that was corrected with the late letter.)

Brad

00/244, 18.  
161



Brien Hallett  
08/09/2003 04:54 PM

To: Executive/CO  
cc: Funding & Disclosure/CO, Phil Diak/ACT/AEC@AEC, Bernadette O'Meara/ACT/AEC@AEC, Paul Anderson/ACT/AEC@AEC

Subject: Discussions with Margot Kingston (SMH)

Colleagues

Ms Kingston has called me again this afternoon.

The following is a summary from my notes of our exchange:

- Had we seen her story on page 5 of the second edition of Saturday's SMH?
- I said no as Canberra normally received the first edition. We have since sourced that article from Media Monitors (and distributed to national exec and FAD).
- She wanted to know our view on her report that Mr Abbott had not sought formal legal advice prior to writing to the AEC.
- She believed that Abbott had misled the AEC and wanted to know what the penalty for that was.

- She then said she was concerned re the fact that there may have been an error in her story and that we should have contacted her to get it right as she would want to correct it.
- She returned to Abbott and made the point that Hanson had misled the ECQ and was in jail and that Abbott had misled the AEC and that this opened interesting possibilities.

I discussed this with FAC EO, DEC and Director FAD (Ms Davis was in a meeting) and I then returned Ms Kingston's call and made the following points:

- There were penalties in the Criminal Code for providing false and misleading information, and this was a matter for the courts to decide. What Mr Abbott may or may not have done to date was another matter.
- We then talked at length about the AEC's role in acting appropriately and not using the full force of the law when a co-operative approach may yield better results in the first instance. I also said that we could not signal what we were doing and provide a running commentary.
- She said that she accepted that, but wanted an assurance that were not just "looking at the clips" eg had we written of MR Abbott? I said no comment.
- I also indicated that she could lay any information she had before us. She said that she would do this as long as we did not tip off Mr Abbott. I said that we were very discreet in these matters.
- She indicated that her information was that Abbott had not taken legal advice before he wrote to us. I said that I would convey this to the relevant officers.
- She then asked for the date of our letter to Abbott and I said that I would have to find this out and ring her tomorrow when she was back at work.

She also asked if I had read her book about Hanson (which I had) and she talked at length about how she had a duty as a journalist to follow this up. I did not really comment on the various claims that she made, though I did point out that we had raised concerns about loopholes in the Act in our JSCEM submission (ran line I used on SBS on Thursday night).

Kathy, can you provide date of our first letter to Abbott (assuming we will tell her that) and note her "information" above.

FYI

BH

00/244, 19  
163

Brien Hallett  
09/09/2003 08:50 AM

To: Executive/CO  
cc: Funding & Disclosure/CO, Phil Diak/ACT/AEC@AEC, Bernadette O'Meara/ACT/AEC@AEC, Paul Anderson/ACT/AEC@AEC

Subject: Discussions with Margot Kingston (SMH)

Colleagues

One final thing I neglected to put in this note yesterday:

Margo asked me when this would all be resolved. I said that it was an unfolding issue, that was difficult to answer. She then raised the fact that Senate Estimates were due in November and that we would get questions then. I agreed that was the case.

FYI  
BH

----- Forwarded by Brien Hallett/ACT/AEC on 09/09/2003 08:56 AM -----

Brien Hallett  
08/09/2003 04:54 PM

To: Executive/CO  
cc: Funding & Disclosure/CO, Phil Diak/ACT/AEC@AEC, Bernadette O'Meara/ACT/AEC@AEC, Paul Anderson/ACT/AEC@AEC

Subject: Discussions with Margot Kingston (SMH)

Colleagues

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- She believed that Abbott had misled the AEC and wanted to know what the penalty for that was.
- 
- 

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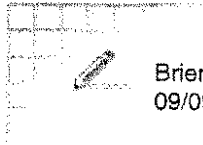
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Kathy, can you provide date of our first letter to Abbott (assuming we will tell her that) and note her "information" above.

FYI

BH

09/244,20.  
164



Brien Hallett  
09/09/2003 09:19 AM

To: Executive/CO  
cc: Funding & Disclosure/CO, Phil Diak/ACT/AEC@AEC, Bernadette O'Meara/ACT/AEC@AEC, Paul Anderson/ACT/AEC@AEC

Subject: Further talk with Margo Kingston (SMH)

Colleagues

I have also followed up one outstanding item from yesterday's session with Ms Kingston. She wanted to know when we first wrote to Mr Abbott, and following discussion with Paul Dacey, I have advised her that we wrote to Mr Abbott on 18 September 1998 following an article in the Courier Mail on 1 September 1998.

FYI

BH



27/08/03

13:51

Pg: 1/1

02/763, 1

~~OPAMP~~  
~~DEF~~

142

RACED



**THE HON TONY ABBOTT MP**

**MINISTER FOR EMPLOYMENT AND WORKPLACE RELATIONS**  
Leader of the House of Representatives  
Minister Assisting the Prime Minister for the Public Service

PARLIAMENT HOUSE  
CANBERRA ACT 2600

27 August 2003

Mr Andy Becker  
Electoral Commissioner  
West Block Offices  
PARKES ACT 2600

Facsimile No. 6271 4554

Dear Mr Becker,

I am writing to request a copy of the Australian Electoral Commission's response to a letter I wrote to a Mr Roger Wills on October 20, 1998. The letter was in relation to the disclosure requirements of the Australians for Honest Politics Trust.

I would appreciate a response to this request urgently and can be contacted on 02 6277 7320 should there be any difficulties.

Yours sincerely,

*Maxwell C & Co*

*for* TONY ABBOTT

02/763 2.  
1147

# MESSAGE CONFIRMATION

27/08/03 17:04  
ID=AEC FUNDING & DISCLOSURE

DATE	S,R-TIME	DISTANT STATION ID	MODE	PAGES	RESULT
27/08	00'42"	02 62734115	CALLING	02	OK 0000

27/08/03 17:03 AEC FUNDING & DISCLOSURE → 062734115 NO.157 001



### Elections & Enrolment Branch

West Block Offices  
Queen Victoria Terrace  
PARKES

### Central Office

PO Box E201  
KINGSTON ACT 2604

<b>To:</b> Murray Cranston	<b>From:</b> Funding & Disclosure Section
	<b>FAX NUMBER</b> 02 6271 4555
	<input checked="" type="checkbox"/> Kathy Mitchell 02 6271 4413
<b>cc:</b> Minister Abbott's office	<input type="checkbox"/> Karen Holas 02 6271 4509
	<input type="checkbox"/> Teena-Maree Harnett 02 6271 4491
<b>Fax:</b> 6273 4115	<input type="checkbox"/> Alan Green 02 6271 4430
<b>Phone:</b>	<input type="checkbox"/> Monash Sahadeo 02 6271 4416
<b>Date:</b> 27/08/2003	<input type="checkbox"/> Mary-ann Bainrot 02 6271 4645
	<input type="checkbox"/> Johnny Dang 02 6271 4520
<b>Pages:</b> 2 (including this sheet)	<input type="checkbox"/> Matt Cooper 02 6271 4552

• **Comments:**

## Elections &amp; Enrolment Branch

West Block Offices  
Queen Victoria Terrace  
PARKES

## Central Office

PO Box E201  
KINGSTON ACT 2604

**To:** Murray Cranston

**From:** Funding & Disclosure Section

**FAX NUMBER** 02 6271 4555

Kathy Mitchell 02 6271 4413

**cc:** Minister Abbott's office

Karen Holas 02 6271 4509

Teena-Maree Hannett 02 6271 4491

**Fax:** 6273 4115

Alan Green 02 6271 4430

**Phone:**

Monash Sahadeo 02 6271 4416

**Date:** 27/08/2003

Mary-ann Bainrot 02 6271 4645

Johnny Dang 02 6271 4520

**Pages:** 2 (including this sheet)

Matt Cooper 02 6271 4552

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• **Comments:**

Having received a letter from Minister Abbott requesting provision of a copy of a letter sent to Mr Abbott by the AEC in relation to whether the "Australians for Honest Politics" trust was an associated entity, I now attach a copy of that letter which was dated 10 June 1999.

**IMPORTANT NOTICE**

This fax is intended solely for the person or organisation to whom it is addressed, and may contain secret, confidential or legally privileged information. If you have received this fax in error or are aware that you are not authorised to have it, you MUST NOT use or copy it, or disclose its contents to any person. If you do any of these things, you may be sued or prosecuted. If you have received this fax in error, please ring the sender immediately so that we can arrange for the return of the fax to us (at no cost to you).

# MESSAGE CONFIRMATION

27/08/03 17:02  
ID=AEC FUNDING & DISCLOSURE

DATE	S,R-TIME	DISTANT STATION ID	MODE	PAGES	RESULT
27/08	00'42"	61 2 62734541	CALLING	02	OK 0000

27/08/03 17:01 AEC FUNDING & DISCLOSURE → 062734541 NO.156 001



### Elections & Enrolment Branch

West Block Offices  
Queen Victoria Terrace  
PARKES

### Central Office

PO Box E201  
KINGSTON ACT 2604

**To:** Renee Prestt

**From:** Funding & Disclosure Section

**cc:** SMOS office

**Fax:** 6273 4541

**Phone:**

**Date:** 27/08/2003

**Pages:** 2 (including this sheet)

- FAX NUMBER** 02 6271 4555
- Kathy Mitchell 02 6271 4413
  - Karen Holas 02 6271 4509
  - Teena-Maree Hannett 02 6271 4491
  - Alan Green 02 6271 4430
  - Monash Sahadeo 02 6271 4416
  - Mary-ann Bainrot 02 6271 4645
  - Johnny Dang 02 6271 4520
  - Matt Cooper 02 6271 4552

\* **Comments:**

## Elections &amp; Enrolment Branch

West Block Offices  
Queen Victoria Terrace  
PARKES

## Central Office

PO Box E201  
KINGSTON ACT 2604

**To:** Renee Prestt

**From:** Funding & Disclosure Section

**FAX NUMBER** 02 6271 4555

Kathy Mitchell 02 6271 4413

**cc:** SMOS office

Karen Holas 02 6271 4509

Teena-Maree Hannett 02 6271 4491

**Fax:** 6273 4541

Alan Green 02 6271 4430

**Phone:**

Monash Sahadeo 02 6271 4416

**Date:** 27/08/2003

Mary-ann Bairrot 02 6271 4645

Johnny Dang 02 6271 4520

**Pages:** 2 (including this sheet)

Matt Cooper 02 6271 4552

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• **Comments:**

Having received a letter from Minister Abbott authorising provision of a copy of a letter sent to Mr Abbott by the AEC in relation to whether the "Australians for Honest Politics" trust was an associated entity, I now attach a copy of that letter which was dated 10 June 1999.

**IMPORTANT NOTICE**

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Pease quote 98/01289 Fad514

Contact Officer Brad Edgman

Telephone (02) 6271 4413

West Block Offices  
Parkes ACT 2600  
PO Box E201  
Kingston ACT 2604  
Telephone (02) 6271 4411  
Facsimile (02) 6271 4556

The Hon. Tony Abbott, MP.  
Suite 11  
Pacific Point  
4-10 Sydney Road  
Manly NSW 2095

Dear Mr Abbott,

Thank you for your letter of 20 October 1998, responding to our inquiry as to whether the trust "Australians for Honest Politics" may fall within the ambit of an associated entity. I apologise if you have not received a response earlier.

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.

I take this opportunity to note that if the activities of the Trust alter, then it may constitute an associated entity. This is a term interpreted by the *Commonwealth Electoral Act 1918* and used by the Australian Electoral Commission for an organisation that is controlled by, or operates wholly or mainly for the benefit of, one or more political parties.

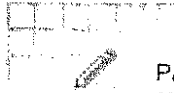
If I can be of any further assistance, please telephone me on 02 6271 4413.

Yours sincerely,

Brad Edgman  
Director  
Funding and Disclosure

10/06/99

02/763,3  
154



Paul Dacey  
27/08/2003 01:19 PM

To: Tim Pickering/ACT/AEC@AEC, Doug Orr/ACT/AEC@AEC, Kathy Mitchell/ACT/AEC@AEC  
cc:

Subject: further note

FYI and use as appropriate.

----- Forwarded by Paul Dacey/ACT/AEC on 27/08/2003 01:25 PM -----



"Sachs, Antony (Sen J. Faulkner)" <Antony.Sachs@aph.gov.au> on 27/08/2003  
12:39:59 PM

To: <paul.dacey@aec.gov.au>  
cc:

Subject: further note

Paul

Sorry to bother you via e-mail, but I thought this the easiest way to draw something to your attention.

Further to John's letter yesterday, it's probably worth the AEC considering the following when working out whether Australian's for Honest Politics is an associated entity of the Liberal Party.

Abbott's comment in yesterday's Australian that he "took a very, very active anti-One Nation role" because "She risked destroying what I thought was the best conservative government since Bob Menzies - that's to say the Howard Government - so I certainly did take a very, very active anti-One Nation role."

Peter Coleman (a trustee of Australian's for Honest Politics) is quoted in today's Australian as saying "My own interest was in combating One Nation because it was doing such damage to the Coalition."

These comments suggest Australian's for Honest Politics was formed and controlled by key Liberal Party operatives & operated to a significant extent for the benefit of the Liberal Party, which may well make them an AE. It was formed for a very specific political purpose.

over to you

Antony

03/17/11, 1  
2



Australian Electoral Commission **AEC**

Electoral Commissioner

West Block  
Parkes ACT 2600

PO Box E201  
Kingston ACT 2604

Telephone (02) 6271 4400  
Facsimile (02) 6271 4554

Senator Andrew Murray  
Senator for Western Australia  
Parliament House  
CANBERRA ACT 2600

Dear Senator

I refer to your letter of 5 September 2003 concerning 'Australians for Honest Politics' and other matters.

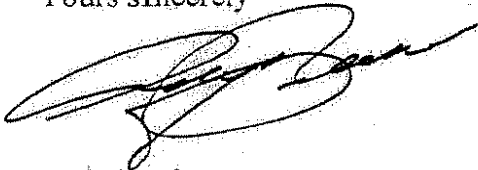
In your letter you mention that the Australian Electoral Commission (AEC) took a question on notice at the May 2002 Senate Estimates hearings from Senator Faulkner regarding

The matter of whether 'Australians for Honest Politics' is an associated entity is also being reconsidered by the AEC. In re-considering this issue, the AEC is taken into account all information that it receives on this matter and this will include the content of your letter.



Thank you for providing the detailed information contained in your letter. I will write to you again when I am in a position to respond on the issues and questions you have raised.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Andy Becker', written in a cursive style.

Andy Becker

18 September 2003

03/17/11, 2.

19 Sep 03 04:33a

P. 2

22

19 September, 2003.

Mr. T. Morling  
Chairman  
Australian Electoral Commission  
P.O. Box 6172  
KINGSTON ACT 2604

Dear Mr. Morling,

**Your File Ref: fad2190~2000/244**

In response to the reply by your K. Mitchell in a letter dated 15 September, 2003 I draw your attention to further information concerning the issue of the Trust Australians for Honest Politics.

**Information**

1. An article written by Margo Kingston and published on September 9th, 2003 on the Sydney Morning Herald web site which is titled "More questions for Abbott on honest politics trust" reports on an interview with Tony Abbott. The article states :

Here's where it gets interesting. If the trust is a good thing, why was it designed so that its donors would remain hidden from the Australian people, I asked?

"I didn't design the trust so that donors weren't required to disclose. I set up the trust to support legal action."

**"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."**

I asked for the name of his lawyer. He refused, saying he had not advised the lawyer that "by the way, in five year's time I'm going to dob you into Margo Kingston".

"I just believe private conversations should be private," he said.

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2. Copy of letter dated 20th October, 1998 that Tony Abbott sent to the Australian Electoral Commission. The copy of the letter to the AEC was published on 4th of September, 2003 in an article titled "AEC pulls up its socks, starts serving the people" on the Sydney Morning Herald web site.

*October 20, 1998*

*Roger Wills  
Australian Electoral Commission,  
PO Box E201  
Kingston, ACT 2604*

Dear Mr Wills,

The Australians for Honest Politics Trust was established on August 24 1998, and, therefore, cannot fall within any disclosure requirements for the 1997-98 year. In any event, I very strongly submit that the Trust is not an "associated entity" under the Act.

"The object of the Trust is to .....  
would do the bidding of a political party."

"So far, the Trust has raised nearly \$100,000 -  
..... test and strengthen the electoral law."

"The Trust is not controlled by .....of  
policy in the guise of administration."

**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 despite this letter and the attached Trust document you still believe otherwise, I would appreciate your urgent advice.

Yours sincerely,

Tony Abbott.

3. Attached Addendum with the Summaries of First Preference Votes by Party Nationally and for the States of N.S.W., Qld., W.A. and S.A. for the Federal Elections held in the years of 1996, 1998 and 2001.

4. Attached copy of page 34 from the Electoral Commission Queensland publication "1998 State General Election : Statistical Returns": Page 34 provides a Table that has Comparative Analysis for Elections held on 15/07/95 and 13/06/98.

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5. Electoral Commission of Queensland web site provides the following Table for the 2001 State General Election.

<b>State Wide First Preference Vote Summary Table</b>			
<b>Party</b>	<b>Abbr</b>	<b>Formal Vote</b>	<b>%</b>
Australian Labor Party	ALP	1007737	48.93%
Liberal Party	LIB	294968	14.32%
Queensland Nationals	NPA	291605	14.16%
One Nation	ONP	179076	8.69%
The Greens	GRN	51630	2.51%
CCAQ	CCA	49263	2.39%
Democrats	DEM	7029	0.34%
C.D.P. (QLD.)	CDP	919	0.04%
Other Candidates		177334	8.61%
<b>Total Formal Votes</b>		<b>2059561</b>	
<b>Informal Votes</b>		<b>47849</b>	<b>2.27%</b>
<b>TOTAL VOTES</b>		<b>2107410</b>	<b>92.59%</b>

6. Section 287(1) of the Commonwealth Electoral Act of 1918 states :

**COMMONWEALTH ELECTORAL ACT 1918 SECT 287  
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.

7. From the web site of Cambridge Dictionaries Online (<http://dictionary.cambridge.org>) states :

(from Cambridge Advanced Learner's Dictionary)

**benefit** noun [C][U]

1 a helpful or good effect, or something intended to help:

**benefit** verb [I][T] -t-

to be helped by something or to help someone:

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8. In an article which is titled "More questions for Abbott on honest politics trust" and published September 9th, 2003 on the Sydney Morning Herald web site quotes Mr. Hallett from the AEC as saying :

"..... that misleading the Commission would come under the Uniform Criminal Code, which makes it a criminal offence to provide false or misleading information to a Commonwealth Government department."

9. Section 137.1 of the Criminal Code Act of 1995 states :

**CRIMINAL CODE ACT 1995 - SECT 137.1**  
**Division 137 - False or misleading information or documents**

**False or misleading information**

(1) A person is guilty of an offence if:

- (a) the person gives information to another person; and
- (b) the person does so knowing that the information:

- (i) is false or misleading; or
- (ii) omits any matter or thing without which the

information is misleading;

and

(c) any of the following subparagraphs applies:

- (i) the information is given to a Commonwealth entity;
- (ii) the information is given to a person who is exercising powers or performing functions under, or in connection with, a law of the Commonwealth;
- (iii) the information is given in compliance or purported compliance with a law of the Commonwealth.

Penalty: Imprisonment for 12 months.

(1A) Absolute liability applies to each of the subparagraph (1)(c)(i),(ii) and (iii) elements of the offence.

(2) Subsection (1) does not apply as a result of subparagraph (1)(b)(i) if the information is not false or misleading in a material particular.

**Note:** A defendant bears an evidential burden in relation to the matter in subsection (2). See subsection 13.3(3).

(3) Subsection (1) does not apply as a result of subparagraph (1)(b)(ii) if the information did not omit any matter or thing without which the information is misleading in a material particular.

**Note:** A defendant bears an evidential burden in relation to the matter in subsection (3). See subsection 13.3(3).

(4) Subsection (1) does not apply as a result of subparagraph (1)(c)(i) if, before the information was given by a person to the Commonwealth entity, the Commonwealth entity did not take reasonable steps to inform the person of the existence of the offence against subsection (1).

**Note:** A defendant bears an evidential burden in relation to the matter in subsection (4). See subsection 13.3(3).

(5) Subsection (1) does not apply as a result of subparagraph (1)(c)(ii) if, before the information was given by a person (the *first person*) to the person mentioned in that subparagraph (the *second person*), the second person did not take reasonable steps to inform the first person of the existence of the offence against subsection (1).

**Note:** A defendant bears an evidential burden in relation to the matter in subsection (5). See subsection 13.3(3).

(6) For the purposes of subsections (4) and (5), it is sufficient if the following form of words is used:

"Giving false or misleading information is a serious offence".

10. Part of the transcript from the ABC Insiders programme that was "aired" on 14th September, 2003. The host is Barrie Cassidy and the guests were Senator Andrew Murray, Mike Secombe (Sydney Morning Herald) and Andrew Bolt (Herald Sun). The transcript reads :

MIKE SECCOMB, 'SYDNEY MORNING HERALD': That being the case, Andrew, what do you think of the Electoral Commission. It is pretty clear now that they're planning to sit on their hands until it blows over and probably do nothing?

SENATOR ANDREW MURRAY: I'm not sure they will, Mike. They've had additional information, such as the kind that Barrie eluded to, where some of the donors and activists are connected back for 10 to 15 years - from WA all the way to across to eastern Australia. And there's a clear pattern which is designed to put pressure, through legal action, on minor parties. I think they'll be obliged to take note because of the provisions in the act I've alluded to.

MIKE SECCOMB: Have you provided them with extra stuff, have you, about the WA situation?

SENATOR ANDREW MURRAY: I'm the electoral matters spokesperson for the party, as you know, and as I understand it both the Labor Party and ourselves have provided information.

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## Conclusions

A. Tony Abbott wrote to the AEC on 20 October, 1998 and advised that :

"Before seeking donations to the trust I spoke with one of Australia's leading electoral lawyers ..."

Tony Abbott now claims that :

"I DIDN'T TAKE LEGAL ADVICE ON DISCLOSURE TILL AFTER I GOT THE AEC'S LETTER..."

A discrepancy exists. Did Tony Abbott make a false statement to the AEC ?

Is it possible that the verbal advice came from the Office of the Australian Government Solicitor or the Government Solicitor, Mr. Bennett ?

Or is it possible that the Attorney General approached the Office of the Australian Government Solicitor for the advice and received this written advice which he subsequently relayed verbally to Tony Abbott ?

B. The statistics provided by the Electoral Commission Queensland show that in the 1998 Qld State Election the Pauline Hanson One Nation Party secured 22.68% (439,121 votes) of the total votes. Comparing the 1996 Qld State Election figures and the 1998 Qld State Election figures the majority of voters who voted for Pauline Hanson's One Nation in the 1998 Qld State Election appear to have previously voted for the Queensland Nationals (11.08% or 179,658 votes) and the Liberal Party (6.65% or 98,569 votes).

With Pauline Hanson One Nation Party securing 22.68% of votes in their first election then it would be a possibility that they could in the next Qld. State election secure a higher percentage of the votes presumably from the Liberal and Queensland National Parties because of similar policies.

From the figures provided by the Electoral Commission Queensland in the 2001 Qld State election shows that the percentage of people that voted for Pauline Hanson One Nation dropped to 8.69%.

During 1998, 1999 and 2001 there would have been negative media reports in the newspapers covering the court case and events with the eleven members of the Pauline Hanson One Nation Party elected to the Queensland Parliament in 1998.

The actions of Tony Abbott to encourage Terry Sharples to take action in the Supreme Court rather than just the Magistrates Court as intended would have increased the negative publicity for the Pauline Hanson One Nation Party and produced a drop in the number of people who voted for the Pauline Hanson One Nation Party in 2001.

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C. From the Addendum I have provided it is clear that in the 1998 Federal Election the One Nation Party was gaining votes at the expense of the Liberal and National Parties.

For the 1998 Federal Election the National Summary shows that One Nation Party polled 8.43% of the vote. The Liberal Party dropped by 4.80% and the National Party dropped by 2.91%.

D. From dictionary definitions we can see that a "benefit" does not have to be of a monetary nature. The only actions taken by the Trust benefited the Liberal and National Parties by directing votes away from the Pauline Hanson One Nation Party.

E. A larger voter support of the Pauline Hanson One Nation Party would have attracted donations from large corporations thereby reducing donations from these sources to the Liberal and National Parties.

#### Questions:

1. Will the Australian Electoral Commission ask Tony Abbott to produce evidence to support his claim that he received legal advice before the establishment of the Trust Australian for Honest Politics ?
2. Will the AEC ask Tony Abbott if the legal advice he received verbally was from the Solicitor General or any solicitor that was employed in the Office of the Solicitor General?
3. Will the AEC ask Tony Abbott if the verbal advice he received was from Daryl Williams, the Attorney General ?
4. Will the AEC ask Tony Abbott to detail the legal advice he received ?
5. Will the Australian Electoral Commission seek to discover if the Trust - Australians for Honest Politics - took any action to promote political honesty on a non-partisan level, for example by funding a think tank or initiating public debate thus raising public concern and desire for greater political honesty?
6. Will the Australian Electoral Commission please confirm if action is being taken in relation to the information provided by Senator Andrew Murray and the Labor Party? If yes, could you please outline the action that is being undertaken by the AEC ?
7. In your letter dated 15 September, 2003 K. Mitchell states :

"The Australian Electoral Commission determined that, on the information available to it at the time, the Australians for Honest Politics trust fund did not meet the definition of associated entity as set out in the Act."



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Could the AEC please explain what legal criteria they used to rule that the said Trust did not meet the definition of an associated entity given that, as previously stated to Senator Faulkner in the Senate, the AEC did not seek advice from the Solicitor General or any other solicitor nor was it in possession of the verbal legal advice that was given to Tony Abbott ?

Yours faithfully

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ADDENDUM

**Summaries of First Preference Votes by Party  
Nationally and States of N.S.W., Qld., W.A. and  
S.A. for Federal Elections held in the years of  
1996, 1998 and 2001.**

A. The summary of the First Preference Votes by Party  
Nationally and by State for the March 1996 Election which are  
provided on your AEC web site.

**NATIONAL**      Enrolment: 11 740 568

Party	Votes	%	Swing
ALP	4 217 765	38.75	-6.17
LP	4 210 689	38.69	+1.92
NP	893 170	8.21	+1.04
CLP	38 302	0.35	+0.02
DEM	735 848	6.76	+3.01
AFI	73 023	0.67	+0.64
CTA	42 683	0.39	-0.08
GRN	188 994	1.74	+1.34
NLP	41 573	0.38	-0.36
OTH	441 805	4.06	-1.36
FORMAL	10 883 852	96.80	-0.23
INFORMAL	360 165	3.20	+0.23
<b>TOTAL</b>	<b>11 244 017</b>	<b>95.77</b>	

**NEW SOUTH WALES**      Enrolment: 3 955 782

Party	Votes	%	Swing
ALP	1 453 542	39.56	-8.76
LP	1 229 423	33.46	+1.69
NP	443 542	12.07	+2.32
DEM	240 255	6.54	+3.73
AFI	52 128	1.42	+1.37
CTA	34 108	0.93	+0.31
GRN	92 549	2.52	+1.44
NLP	11 272	0.31	-0.35
OTH	117 390	3.19	-1.75
FORMAL	3 674 209	96.38	-0.52
INFORMAL	138 157	3.62	+0.52
<b>TOTAL</b>	<b>3 812 366</b>	<b>96.37</b>	

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**QUEENSLAND** Enrolment: 2 091 384

<b>Party</b>	<b>Votes</b>	<b>%</b>	<b>Swing</b>
ALP	639 510	33.16	-7.32
LP	757 621	39.29	+8.03
NP	306 986	15.92	+1.19
DEM	129 244	6.70	+2.64
AIP	12 507	0.65	+0.43
GRN	47 379	2.46	+2.46
OTH	34 923	1.81	-7.42
FORMAL	1 928 170	97.44	+0.06
INFORMAL	50 605	2.56	-0.06
<b>TOTAL</b>	<b>1 978 775</b>	<b>94.62</b>	

**WESTERN AUSTRALIA** Enrolment: 1 088 487

<b>Party</b>	<b>Votes</b>	<b>%</b>	<b>Swing</b>
ALP	347 583	34.73	-4.63
LP	440 647	44.02	-4.99
NP	13 333	1.33	+1.09
DEM	55 862	5.58	+2.30
GWA	53 101	5.31	-0.47
NLP	2 498	0.25	-0.28
OTH	87 932	8.78	+6.97
FORMAL	1 000 956	96.84	-0.64
INFORMAL	32 616	3.16	+0.64
<b>TOTAL</b>	<b>1 033 572</b>	<b>94.95</b>	

**SOUTH AUSTRALIA** Enrolment: 1 001 006

<b>Party</b>	<b>Votes</b>	<b>%</b>	<b>Swing</b>
ALP	320 678	34.83	-4.01
LP	460 246	49.99	+4.33
DEM	93 899	10.20	+2.41
GRN	27 146	2.95	+2.95
NLP	4 495	0.49	-0.98
OTH	14 255	1.55	-4.70
FORMAL	920 719	95.92	-0.02
INFORMAL	39 172	4.08	+0.02
<b>TOTAL</b>	<b>959 891</b>	<b>96.89</b>	

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B. The summary of the First Preference Votes by Party Nationally and by State for the 1998 Election which are provided on your AEC web site.

#### National Summary

Enrolment 12154050

Party	Votes	%	Swing
LP	3764707	33.89	-4.80
NP	588088	5.29	-2.91
CLP	36014	0.32	-0.03
ALP	4454306	40.10	1.34
DEM	569935	5.13	-1.63
GRN	238035	2.14	0.41
HAN	936621	8.43	8.43
UNI	87252	0.79	0.79
CDP	64916	0.58	0.19
OTH	369189	3.32	-1.79
FORMAL	11109063	96.22	-0.57
INFORMAL	436138	3.78	0.57
<b>TOTAL</b>	<b>11545201</b>	<b>94.99</b>	<b>-0.78</b>

#### New South Wales

Enrolment 4076081

Party	Votes	%	Swing
LP	1131545	30.49	-2.97
NP	293126	7.90	-4.17
ALP	1489021	40.12	0.56
DEM	154496	4.16	-2.38
GRN	98647	2.66	0.14
HAN	332510	8.96	8.96
UNI	57666	1.55	1.55
CDP	38023	1.02	0.10
OTH	116110	3.13	-1.79
FORMAL	3711144	95.99	-0.38
INFORMAL	154859	4.01	0.38
<b>TOTAL</b>	<b>3866003</b>	<b>94.85</b>	<b>-1.53</b>

## Queensland

Enrolment 2188024

Party	Votes	%	Swing
LP	615153	30.86	-8.43
NP	199185	9.99	-5.93
ALP	719743	36.11	2.94
DEM	80003	4.01	-2.69
GRN	47440	2.38	-0.08
HAN	285983	14.35	14.35
CDP	11243	0.56	0.54
OTH	34625	1.74	-0.70
FORMAL	1993375	96.67	-0.77
INFORMAL	68659	3.33	0.77

## Western Australia

Enrolment 1149619

Party	Votes	%	Swing
LP	397836	38.15	-5.87
NP	13596	1.30	-0.03
ALP	377545	36.21	1.48
DEM	41364	3.97	-1.61
GWA	52674	5.05	-0.25
HAN	96708	9.27	9.27
UNI	321	0.03	0.03
CDP	8336	0.80	0.80
OTH	54395	5.22	-3.82
FORMAL	1042775	95.82	-1.03
INFORMAL	45509	4.18	1.03
<b>TOTAL</b>	<b>1088284</b>	<b>94.66</b>	<b>-0.29</b>

## South Australia

Enrolment 1013989

Party	Votes	%	Swing
LP	389382	42.05	-7.94
NP	4796	0.52	0.52
ALP	319267	34.48	-0.35
DEM	93905	10.14	-0.06
GRN	4576	0.49	-2.45
HAN	90773	9.80	9.80
CDP	3521	0.38	0.38
OTH	19771	2.14	0.10
FORMAL	925991	95.46	-0.46
INFORMAL	44074	4.54	0.46
<b>TOTAL</b>	<b>970065</b>	<b>95.67</b>	<b>-0.22</b>

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C. The summary of the First Preference Votes by Party Nationally and by State for the 2001 Election which are provided on your AEC web site.

**National Totals (Post Election Results)**

Enrolled : 12,636,631

First Preference Votes Counted : 95.39%

Party Code	Votes	%	Swing (%)
LP	4,254,072	37.08	+3.19
NP	643,924	5.61	+0.32
ALP	4,341,419	37.84	-2.26
CLP	36,961	0.32	-0.00
DEM	620,248	5.41	+0.28
GRN	569,075	4.96	+2.34
HAN	498,028	4.34	-4.09
UNI	24,653	0.21	-0.57
CTA	65,039	0.57	-0.02
OTH	420,674	3.67	+0.82
FORMAL	11,474,093	95.19	-1.04
INFORMAL	580,362	4.81	+1.04
TOTAL	12,054,455		

**New South Wales (Post Election Results)**

Enrolled : 4,204,383

First Preference Votes Counted : 95.27%

Party Code	Votes	%	Swing (%)
LP	1,272,208	33.58	+3.09
NP	349,372	9.22	+1.32
ALP	1,380,822	36.45	-3.67
DEM	160,706	4.24	+0.08
GRN	180,079	4.75	+2.09
HAN	180,812	4.77	-4.19
UNI	24,653	0.65	-0.90
CTA	46,059	1.22	+0.19
IND	148,042	3.91	+3.02
OTH	45,706	1.21	-1.03
FORMAL	3,788,459	94.58	-1.41
INFORMAL	217,024	5.42	+1.41
TOTAL	4,005,483		

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**Queensland (Post Election Results)**

Enrolled : 2,319,481

First Preference Votes Counted : 95.42%

Party Code	Votes	%	Swing (%)
LP	767,959	36.46	+5.60
NP	192,451	9.14	-0.86
ALP	730,920	34.70	-1.40
DEM	90,684	4.31	+0.29
GRN	73,465	3.49	+1.11
HAN	148,930	7.07	-7.28
CTA	0	0.00	-0.56
OTH	101,846	4.84	+3.10
FORMAL	2,106,255	95.17	-1.50
INFORMAL	106,976	4.83	+1.50
TOTAL	2,213,231		

**Western Australia (Post Election Results)**

Enrolled : 1,200,438

First Preference Votes Counted : 95.04%

Party Code	Votes	%	Swing (%)
LP	449,036	41.39	+3.24
NP	11,052	1.02	-0.29
ALP	402,927	37.14	+0.94
DEM	50,581	4.66	+0.70
GWA	64,939	5.99	+0.93
HAN	67,992	6.27	-3.01
UNI	0	0.00	-0.03
CTA	12,792	1.18	+0.38
OTH	25,476	2.35	-2.87
FORMAL	1,084,795	95.08	-0.74
INFORMAL	56,134	4.92	+0.74
TOTAL	1,140,929		

**South Australia (Post Election Results)**

Enrolled : 1,034,377

First Preference Votes Counted : 95.97%

Party Code (%)	Votes	%	Swing
LP	430,442	45.90	+3.85
NP	0	0.00	-0.52
ALP	316,362	33.74	-0.74
DEM	98,849	10.54	+0.40
GRN	34,141	3.64	+3.15
HAN	44,574	4.75	-5.05
CTA	0	0.00	-0.38
OTH	13,340	1.42	-0.71
FORMAL	937,708	94.46	-1.00
INFORMAL	55,025	5.54	+1.00
TOTAL	992,733		



**Table (1.6) Comparative Analysis for Elections held on  
15/07/95 and 13/06/98**

Attributes	15/07/95	13/06/98	Variation 1998 - 1995	
	Election	Election	Value	%
First Preference Votes				
A.L.P.	773,585	752,374	-21,211	-2.82%
% of Formal Votes	42.89%	38.86%		4.04%
ARP	N/R	7,658	7,658	100.00%
% of Formal Votes		0.40%		0.40%
Australia First (Qld)	N/R	9,560	9,560	100.00%
% of Formal Votes		0.49%		0.49%
AWP	N/R	299	299	100.00%
% of Formal Votes		0.02%		0.02%
Confederated Action Party	9,329	N/P	-9,329	-100.00%
% of Formal Votes	0.52%			
C.D.P. (QLD.)	N/R	2,098	2,098	100.00%
% of Formal Votes		0.11%		0.11%
Democrats	22,598	31,119	8,521	27.38%
% of Formal Votes	1.25%	1.61%		-0.35%
Liberal Party	410,083	311,514	-98,569	-31.64%
% of Formal Votes	22.74%	16.09%		6.65%
Pauline Hanson's One Nation	N/R	439,121	439,121	100.00%
% of Formal Votes		22.68%		22.68%
Queensland Nationals	473,497	293,839	-179,658	-61.14%
% of Formal Votes	26.25%	15.17%		11.08%
Shooters Party	N/R	1,058	1,058	100.00%
% of Formal Votes		0.05%		0.05%
The Greens	51,748	45,709	-6,039	-13.21%
% of Formal Votes	2.87%	2.36%		0.51%
Unendorsed Candidates	62,640	41,991	-20,649	-49.17%
% of Formal Votes	3.47%	2.17%		1.30%

N/R - Not Registered in 1995    N/P - Not Registered in 1998



03/17/11, 3.

19/09/2003 14:32  
19 Sep 03 04:33a

P.1

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### FAX COVER SHEET

*Mrs. D. FARD.*

ATTENTION: Mr. T. Morling  
Chairman  
Australian Electoral Commission

*Agreed  
appropriate  
action*

Fax #: (02) 62771 4558

FROM:

*PA.*

Fax #:

Date: 19th September, 2003

Subject: AEC File Ref: fad2190~2000/244  
Trust Fund Australians for Honest Politics

Total # of Pages: 16 (including this page)

Message:

Original letter following in Mail.



03/17/11, 4.

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File Ref fad2218-200/244  
Contact Officer K Mitchell  
Phone 02 6271 4413  
Fax 02 6271 4555

West Block Offices  
Parkes ACT 2600

PO Box E201  
Kingston ACT 2604

Telephone (02) 6271 4411  
Facsimile (02) 6271 4556  
www.aec.gov.au  
ABN 21 133 285 851

Dear :

I refer to your further letter of 19 September 2003 to Justice Morling concerning the trust fund Australians for Honest Politics.

In your letter you ask the following seven questions:

1. Will the Australian Electoral Commission ask Tony Abbott to produce evidence to support his claim that he received legal advice before the establishment of the Trust Australians for Honest Politics?
2. Will the AEC ask Tony Abbott if the legal advice he received verbally was from the Solicitor General or any solicitor that was employed in the Office of the Solicitor General?
3. Will the AEC ask Tony Abbott if the verbal advice he received was from Daryl Williams, the Attorney General?
4. Will the AEC ask Tony Abbott to detail the legal advice he received?
5. Will the Australian Electoral Commission seek to discover if the Trust – Australian for Honest Politics – took any action to promote political honesty on a non-partisan level, for example by funding a think tank or initiating public debate thus raising public concern and desire for greater political honesty?
6. Will the Australian Electoral Commission please confirm if action is being taken in relation to the information provided by Senator Andrew Murray and the Labor Party? If yes, could you please outline the action that is being undertaken by the AEC?
7. In your letter dated 15 September, 2003 K Mitchell states:  
"The Australian Electoral Commission (AEC) determined that, on the information available to it at the time, the Australians for Honest Politics trust fund did not meet the definition of associated entity as set out in the Act."

Could the AEC please explain what legal criteria they used to rule that the said Trust did not meet the definition of an associated entity given that, as previously stated to Senator Faulkner in the Senate, the AEC did not seek advice from the Solicitor General or any other solicitor nor was it in possession of the verbal legal advice that was given to Tony Abbott?

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As advised in the AEC's letter of 15 September 2003, the AEC asks its clients to appreciate that in dealing with legislative compliance issues the AEC must give due regard to confidentiality. Unnecessary publicity may prejudice their further investigation. As such, the AEC does not comment on the steps that it may or may not be taking in relation to considering matters raised with it. I, therefore, cannot comment on your questions 1 to 5.

Further, the AEC does not comment on correspondence it may or may not have received from third parties.

In relation to your question 7, the AEC determined that, on the information available to it at the time, the Australians for Honest Politics trust fund did not meet the definition of associated entity as set out in the Act. The provisions of the Act are the 'legal criteria' the AEC used in reaching this conclusion.

The additional matters that you have raised in your further letter will be included in the AEC's consideration of this issue.

Yours sincerely



Kathy Mitchell  
Director  
Funding and Disclosure

24 September 2003

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AEC

## **ESTIMATES BRIEF - Hot Issues**

Senate Finance and Public Administration Legislation Committee – February 2003

### **SUBJECT: AUSTRALIANS FOR HONEST POLITICS TRUST FUND**

**ISSUE: Whether disclosure obligations exist**

#### **SUGGESTED RESPONSE:**

- The AEC is currently considering whether the Australian for Honest Politics trust fund is an associated entity under the provisions of the *Commonwealth Electoral Act 1918*.
- Complex issues such as those raised in determining whether an organisation is an associated entity require detailed and complete consideration by the AEC. Finalisation of the AEC's deliberations on such matters cannot necessarily be made within the short period of time often expected by the public and the media.
- The AEC will seek to obtain relevant financial disclosure returns from any person or organisation it determines has a disclosure obligation which has not yet been met.

**BACKGROUND:**

- On Tuesday 1 September 1998, an article in the *Brisbane Courier Mail* stated "Federal Liberal MP Tony Abbott had admitted having actively raised funds to support two separate legal attempts to shut down the One Nation party. The article also stated that a trust had been set up to accept donations for this purpose.
  - As a result of this article, the AEC wrote to The Hon Mr Tony Abbott on 18 September 1998 advising him that the trust may fall within the scope of the associated entity provisions of the *Commonwealth Electoral Act 1918 (CEA)* and that relevant disclosure requirements may apply. Further, that if he considered that the trust was not an associated entity that he should provide a written response outlining the reasons for his point of view.
  - On 20 October 1998, Mr Abbott responded to the AEC providing information about the trust and stating that he did not consider that the trust was an associated entity and that it should not be covered by the disclosure provisions of the CEA.
  - On 10 June 1999, the AEC responded to Mr Abbott advising him that "on the basis of the information provided the trust did not constitute an associated entity at this time and accordingly is not required to lodge a disclosure return." A further letter to this effect was also sent to Mr Abbott on 3 May 2001.
- 
- The AEC is considering a range of recent additional material and information from a number of sources which will require further consideration of whether the trust 'Australians for Honest Politics' constitutes an associated entity under the CEA provisions.

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Date: 8 October 2003  
Version: 1  
Group/Branch/Agency: FAD/Elections/AEC  
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Last Amendment:

03/17/11, 6.

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## Question Time Brief

**Subject: AUSTRALIANS FOR HONEST  
POLITICS TRUST FUND**

**Question:** *Is the Prime Minister/Minister aware of the AEC's advice?*

**Suggested Response:**

- In June 1999, the Australian Electoral Commission wrote to The Hon Mr Tony Abbott advising him that on the basis of the information available at that time the trust did not constitute an associated entity and accordingly was not required to lodge an associated entity disclosure return.
- However, the AEC has a policy of considering matters that are brought to its attention either directly or through public forums such as the media. As a result, the AEC is reviewing its earlier advice on the trust fund.

***If asked when the AEC will make a determination regarding the status of the trust fund:***

- There is a range of steps involved in determining whether a person or organisation has disclosure obligations. The length of the time it will take for the AEC to come to a final decision will be dependent upon the time it takes to gather the relevant information.
- If it is determined that the trust fund is an associated entity the AEC will seek to obtain relevant financial disclosure returns.

Question Time Brief

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QTB No: AEC15  
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Last Saved: 19/11/2003 9:32 AM



## Question Time Brief

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### BACKGROUND:

- On Tuesday 1 September 1998, an article in the *Brisbane Courier Mail* stated "Federal Liberal MP Tony Abbott had admitted having actively raised funds to support two separate legal attempts to shut down the One Nation party. The article also stated that a trust had been set up to accept donations for this purpose.
- As a result of this article, the AEC wrote to The Hon Mr Tony Abbott on 18 September 1998 advising him that the trust may fall within the scope of the associated entity provisions of the *Commonwealth Electoral Act 1918* (CEA) and that relevant disclosure requirements may apply. Further, that if he considered that the trust was not an associated entity that he should provide a written response outlining the reasons for his point of view.
- On 20 October 1998, Mr Abbott responded to the AEC providing information about the trust and stating that he did not consider that the trust was an associated entity and that it should not be covered by the disclosure provisions of the CEA.
- On 10 June 1999, the AEC responded to Mr Abbott advising him that "on the basis of the information provided the trust did not constitute an associated entity at this time and accordingly is not required to lodge a disclosure return." A further letter to this effect was also sent to Mr Abbott on 3 May 2001.
- The AEC is considering a range of recent additional material and information from a number of sources which will require further consideration of whether the trust 'Australians for Honest Politics' constitutes an associated entity under the CEA provisions

# Question Time Brief

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Funding and Disclosure Section  
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Senator Brett Mason  
Chairman  
Senate Standing Committee on Finance and Public Administration  
Parliament House  
CANBERRA ACT 2600

Dear Senator

At Estimates Committee hearings on 4 November 2003 the Australian Electoral Commission (AEC) took a number of questions on notice and agreed to provide the Committee with certain documents. Committee members indicated that provision of the documents as a matter of priority was preferred.

Senator Brandis asked questions about the content of disclosure returns lodged by the Fair Go Alliance. In responding, Ms Mitchell indicated that it might be more effective if she provided copies of the relevant returns, which are publicly available documents, to the Committee. Copies of the returns are attached.

Senator Faulkner requested that the Committee be provided with copies of the letters the AEC sent to Mr Abbott in September 1998 and June 1999 concerning the Australians for Honest Politics trust fund. Whilst the AEC would normally prefer not to provide the Committee with documents relating to a matter under current consideration in case it prejudiced the AEC's action in such matters, the letters have already been made publicly available by someone other than the AEC. As such, it would seem unlikely that provision of the letters to the Committee would further prejudice the AEC's ability to proceed with this matter. A copy of each of the letters is attached.

Yours sincerely

Paul Dacey  
Deputy Electoral Commissioner

6 November 2003