



**Michael Ferguson MP  
Federal Member for Bass**

**Senate Inquiry into the Regional Partnerships Program, 2005**

**Introduction**

This submission is in response to Labor claims that Bass was “bought” by the Coalition in the 2004 federal election.

The people of Bass fully deserved every promise made by the Howard Government and each of those promises will be honoured in full.

**Bass is a regional seat**

The existence of this inquiry demonstrates that Labor is not prepared to accept responsibility for its poor election result and is desperately looking to apportion blame to others.

Post-election, the Opposition claimed that Bass received more funding commitments than seats in New South Wales and Victoria. Of course some outlying areas of these states do contain regional seats, however it is well known that a majority of the electorates in those states are metropolitan, not regional.

The Coalition did not misuse of the Regional Partnership program.

The fact that so many of the funding commitments to Northern Tasmania fit within the Regional Partnership program is testimony to their individual merits. Prime Minister John Howard and Michael Ferguson provided responsible polices to build the community.

The Coalition aims to meet local needs and deliver positive outcomes. It is concerning that Labor deems some projects unworthy of Australian Government support.

A strong platform of local projects is the foundation for the overall success of the Howard Government, not through misguided and unsustainable promises. Labor promises in Bass were undeliverable, overspent and unplanned.

### Selection of local projects

Funding through the Regional Partnership program will bring jobs, provide economic stimulus, improve public infrastructure and strengthen non-profit community groups. Many of the projects were put forward by local government and the Northern Tasmanian regional development body.

### Labor's big-spending promises

Labor released its Tasmania Package and funding promises for Bass a fortnight before the Coalition, making unachievable and financially irresponsible commitments.

The claim made by the Federal Member for Denison (*ABC 'Mornings' with Tim Cox, 14 December 2005*) that "Labor certainly responded to what was clearly a pork barrelling situation to secure the seat for the Coalition" is therefore an unsustainable argument.

Labor's lack of credibility on this issue is highlighted with the following two funding promises:

a) The Low Head Authority asked the Howard Government and Federal Opposition for \$250,000 for phase two of the Low Head Tourist Precinct. Labor committed \$1.5 million – without any indication of how the \$1.25 million would be allocated. It was therefore over-funded by 600%.

b) Launceston City Council and its Tamar River Improvement Authority sought \$3 million dollars for stabilising the riverbank. Labor promised \$4 million, again without any indication of how the additional \$1 million would be spent.

In all, Labor promised **\$29,350,000** to Bass:

- |                                     |                |
|-------------------------------------|----------------|
| • LGH Emergency Dept upgrade        | \$5 million    |
| • Medicare Team, Launceston         | \$2.1 million  |
| • Regional Sports Centre            | \$4 million    |
| • Trail of the Tin Dragon           | \$1.75 million |
| • Low Head Tourism Precinct         | \$1.5 million  |
| • Exhibition Centre Inveresk        | \$2 million    |
| • Queen Vic Travelling show gallery | \$1.5 million  |
| • Aquaculture research at UTas      | \$4.5 million  |

- Roads – Weavers Creek Myrtle park \$1.5 million
- Roads – Bridport Road Scottsdale widening \$1.5 million
- Tamar River Pylon Project \$4 million

The Labor Party should examine itself before accusing the Howard Government of “buying Bass”.

### **Responsible financial management and targeted initiative**

The Howard Government and the then Liberal candidate designed a programme to deliver the promises for Bass. They understood how best to assist the needs of the community and the real costs involved:

- Contribute \$1.5 million for improvements to the state owned road from Bridport to Scottsdale
- Contribute \$1.5 million for improvements to the Tasman Highway between Nunamara and Targa
- Provide \$600,000 over three years to implement initiatives suggested by the report to economic development in Northern Tasmania
- Provide \$400,000 over three years to assist with necessary capital upgrade of the Australian School of Fine Furniture’s facilities. Additionally provide 2 student scholarships of \$7,500 each year
- Provide \$50,000 to the Dorset Council to undertake a Business Development Plan for the “Trail of the Tin Dragon” and a further \$1.7 million subject to the commercial viability of the project
- Contribute \$250,000 towards the Stage 2 re-development to help the Low Head Historic Precinct realise its full potential as an economically viable and sustainable heritage site
- Provide \$250,000 to house the Bass and Flinders replica ship “The Norfolk” subject to Council approval and long term public access
- Provide \$60,000 to Playgroup Tasmania North to purchase the building it currently rents in Launceston
- Contribute \$100,000 to the cost of the health professional's accommodation unit on a matching basis with the State Government at Scottsdale Hospital
- Provide an additional \$1 million over the next 3 years for a revised and upgraded approach to replace sources of polluting wood smoke in Launceston

- Contribute \$400,000 to the North Esk Rowing Club to build a new club house
- Contribute \$150,000 for Bridport Planning study
- Contribute up to \$4 million towards Sport and Recreation Precinct in Launceston, subject to conditions
- Contribute \$370,000 to the Youngtown Community and Sports Complex to develop a multi-purpose, community, social and recreational complex for a broad range of community members
- Provide \$250,000 to Launceston City Council to develop bike tracks within the Launceston area
- Provide \$250,000 to renovate and develop the George Town Memorial Hall and \$10,000 to assist the members of the George Town Football and council to fence the football ground
- Contribute up to \$70,000 to assist the Bridport Bowls Club install a synthetic all weather bowling green, subject to matched funding
- Provide \$25,000 to upgrade the Winnaleah District Swimming Pool
- Contribute \$25,000 for the provision of an adequate storage shed for the White City Athletic Club at Rocherlea
- Contribute \$10,000 to create a new community memorial at Ledgerwood

The total Bass specific promises total **\$16,482,000** – *just over half* of the total promised by Labor. The Coalition now has a duty and firm resolve to honour its commitment.

### Conclusion

Labor's "buying Bass" criticisms are totally unfounded and hypocritical predominantly because it out-promised the Liberals in this electorate.

Labor's failure to hold the seat had nothing to do with money – it just failed to listen to the community, failed forestry families and failed to take Northern Tasmania seriously. This series of local failures neatly reflects Labor's failure at the federal level.

The Liberal party won the seat of Bass because of its candidate's willingness to listen to local governments, community leaders and everyday people tired of six years of inaction from Labor.

## APPENDIX A

### **Bass MHR Michael Ferguson radio interview with Tim Cox ABC Tasmania 'Mornings' December 14, 2004**

Tim Cox: How much a role do you think the spending played in your victory?

Michael Ferguson: Well like so many policies in Bass and around Australia, people at the ballot box were faced with a choice. They had a very long campaign, 42 days to become aware of who their candidate was, if they didn't know already, what the national policy offerings were, what the Government was going to do with health, education and what the opposition said they'd do, of course what the government and opposition would do with regards to people's jobs in the forest industry and of course local projects I'm proud and unashamed of the level of support we got from the government in my electorate of Bass.

I would never pretend that it didn't help, but Duncan Kerr is very good at this – he and Kelvin Thompson raising these issues. I think it showed that they're sore losers, I've tried to be a gracious winner, but these people are totally hypocritical and I think there's a question mark over their honesty because as everyone in my circle knows, the Labor Party out-spent us in Bass in this election.

Cox: Does it say something about the nature of political campaigning that marginal seats are so obviously, and in this case, targeted with such largesse. Is there a flaw in the system there?

MF: Well I think you've got competitive spirit running there. We're proud of our Tasmanian package and we've just heard Duncan Kerr there say how Labor had to match our spending in Bass and that they felt that the competition was on. In actual fact, Mark Latham came to Tasmania and released his so-called Tasmania package about two weeks before we did.

They really set the mark and set the bar and they made funding commitments which I think were unachievable. I don't they could even have delivered them if they wanted to.

In terms of the dollar amount the actually promised, they massively out-gunned us. We made responsible decisions, and I've got the Labor party's Tasmania package in front of me – by the way, they've now pulled that down off their web site, it's no longer available, ours is – Labor promised for example one and a half million dollars for the Low Head tourist precinct, everyone know that the Low Head Tourist precinct is a fantastic and very important heritage project for Northern Tasmania and I'm a great supporter of it, but very interestingly Tim, the Low Head Authority asked the federal government and I think they must have also asked the opposition for \$250,000 for phase two. We agreed to that and Labor, very strangely, came

out and promised \$1.5 million – they actually over-funded it by 600%. The people at Low Head wouldn't have known what they were going to do with it. Another example – Launceston at the Tamar River the Launceston City Council and the UTRIA committee asked the federal government for \$3 million and when Peter Costello visited Bass he gave some very promising signals about that. The next day Labor in a full frontal attack, they tried to gazump us as a party and they announced funding for Tamar River but guess how much they offered - \$4 million. They actually over committed. I don't know what the council would have done with the extra million dollars, but Labor are totally hypocritical on this.

Cox: Are you embarrassed Michael Ferguson to have received one third of the funding for regional partnerships network?

MF: I can answer that, I just want to make the point that Labor have no credibility on this issue and in terms of this general question over I think you said 20% – Bass received 20% of the national programme. Well there's a very simple explanation for that. Bass like so many other seats around Australia received special attention from the Government and the opposition and I'm not apologetic about that because guess what? We actually had a programme where we could fund these things. Labor had no programme. They had no concept how they'd actually pay for these promises that they made. But because Bass is regional, it fitted into regional partnerships and so much of New South Wales and Victoria [electorates] are city-centric and doesn't qualify for regional partnerships funding. In fact the whole of Tasmania is regional, so the whole of Tasmania qualifies for regional funding.

Cox: We've heard on a couple of occasions from people in Bass that in return for specific funding promises from you, you were asked for mailing list of members of organisations. Is that correct did...

MF: I'd like a specific example – I'd be happy to answer it

Cox: ....you try and use the possibility of the funding being available for mailing lists to contact members of the community?

MF: I can tell you absolutely 100% honest, we obtained no list and I'll answer did we ask them, we sent no material to private lists of supporters of members of organisations, however we did ask people to advertise through their organisations if they were willing, we asked them as a courtesy to let their members know what we were offering and as an example, I can think of the Winnaleah Swimming Pool, I can think of the Playgroup Association and they would have done the same for any party.

Cox: Alright, we'll leave it there.

MF: Well Tim, if I may, the front page of The Examiner headline today was 'Bass Bought' and I think this is the problem with the Labor Party today - they're not prepared to be gracious in their defeat, they are only prepared to look for a new victim and someone to blame. I've seen it in the Parliament for the three weeks that I've been there. They're not accepting of their failure to put forward responsible policies during the election. The Coalition did not buy Bass – Labor sold it out and John Howard was there and so was I with responsible policies and a local platform of projects that we think will build this community.

Cox: We need to leave it there – Michael Ferguson, thanks for your time

## **APPENDIX B**

### **Denison MHR Duncan Kerr interview with Tim Cox ABC Tasmania 'Mornings' 14 December 2005**

Cox: You are just narky cause you don't live in a marginal seat. Are you?

Kerr: No Tim I think this is fairly scandalous, we called it a festival of pork because essentially it was a regional funding programme and if you look where the money went essentially it went to buy seats in areas where the National Party was on the line and in Tasmania Bass where Tasmania itself did a bad deal outside the northern seats where the Coalition was trying to buy votes so what we have got is really a distortion in the way which politics should work and I mean there is some very crude misuse of the funds. Everybody knows about the use of the A2 mild scandal that the Minister has been reeling in parliament about. When you find one seat in northern Tasmania, Bass which was one of the most marginal seats in Australia getting about 20% of the National funding of \$60 million and more than not just NSW, well the whole of NSW and Victoria, you add to that the whole of WA and SA you have to say to yourself this is a pretty obvious situation where the government acted in a way which was crude, it certainly was ultimately successful and I don't blame the Liberal candidate Michael Ferguson for this I suspect he was rather like the artificially inseminated cow. He new something wonderful was happening but he didn't really know what it was. But stepping back a bit it is a pretty terrible thing for Australian democracy when you have Federal governments misusing national programmes this way in a run up to an election.

Cox: It is not anything that comes as a surprise to people; you are not being a bit naive about it are you?

Kerr: I am not being naive about it at all. Every body knows that Australian politics is pretty rough and tumble but this was extraordinarily crude and it makes the instances which the Liberals criticise Labor about, the funding that was done under the national sports programme that Ros Kelly administered that looks like an absolutely scrupulous and fair selection of funds compared to this extraordinarily rorted programme.

Cox: Labor of course had the Tasmanian package, which had more than \$30 million of promises for Bass as well didn't it.

Kerr: Well Labor certainly responded to what was clearly a pork barrelling situation to secure the seat for the Coalition but you have got to remember the key elements of the Tasmania package were directed State-wide. A single call zone for this state and if you go back to the previous election we were looking at writing off State debt. So the key elements in the Tasmania package have always been a State-wide package, certainly there have been local spending commitments but the background for this election you see a real misuse of what was supposed to be a national programme to fund regionally important



programmes and some of the programmes that were funded across Australia were extraordinary. I mean you look at in Queensland with light rail where they chucked six hundred thousand dollars at a failed light rail tram system, \$440,000 was just to pay off the creditors and \$220,000 to subsidise the programme and the trams are still not running. You have got in Bass \$35,000 to a rowing club, I mean these are things that you really have to be surprised about on an individual basis you might say Bass certainly deserves some funding but there are dozens of seats right across Australia and when you find about 20% of that national programme going into that seat. More than you get for four large States all of which have significant issues.

Cox: All of which presumably have marginal seats as well...

Kerr: It is plain that the government targeted a series of seats....

Cox: But so did the opposition, the Labor package which came out very early in the campaign, the one of two visits Mark Latham made to Tasmania during the entirety of that endless campaign saw \$5 million promised for the emergency department upgrade in Launceston General, \$2.1 million for the Medicare team in Launceston and \$4 million for the regional sports centre, \$1.7 million for the trail of the Tim Dragon, Low Head tourism projects \$1.5 million, very, very highly localised in Bass.

Kerr: You have got to understand that this is against a background where the government is running a regional sports programme which is not election promises but is supposed to be funded out of a national regional programme allocating fund on priority needs basis. Now apparently it wasn't doing that, this distorts the kind of politics that happens and if there is one thing that I have got to tell you is a hell of a lot worse than port barrelling it is being in areas where people sort of say well you're a safe seat well you get nothing and this is distorting the way in which politics operate when you have a government which is misusing a national programme as they have that brought aboard people to allocate funds whose conflicts of interest were not exposed to the Prime Minister and which allocated a grants programme in the way they did, you have got to say you start to get a very distorted process and a non transparent process of distributing public funds and a process against a background where everything is exposed is one thing, running a so called national programme which has \$60 million allocated to, supposed to be allocated to priority regional basis but is used for political purposes is an entirely a different thing and properly criticised.

Cox: The Coalition offered funding for the Kingston sports centre, Bellerive Oval and mentoring services among others but I don't recall what Labor offered in the south in those safe Labor seats.

Kerr: Well this wasn't an auction per say about...

Cox: But you have said the Coalition didn't offer anything in the south when it did but I don't recall Labor offering anything in the south.

Kerr: The Coalition offered next to nothing in the south of Tasmania and out of this regional programme essentially nothing. I mean it is a \$60 million programme about \$11.5 million of that was allocated to Bass alone. You can't tell me that the regional priorities in one seat of Tasmania outweigh the regional priorities in four mainland States, NSW, Vic, WA & SA. It plainly was corrupted to reflect the political priorities of the government. Now whether or not you want to use that word corrupted in the sense of suggestion of wrongdoing of a scale, which could see people lose their Ministerial offices, that is a reasonable conclusion you would draw because you can't rationally conclude that any fair funding process would come to that conclusion.

Cox: Duncan Kerr we need to leave it there.

## APPENDIX C

### **Senator Kerry O'Brien interview with Tim Cox ABC Tasmania 'Mornings' 14 December 2005**

Cox: Who had the top weight in the campaign for Bass?

O'Brien: Who had the top weight?

Cox: Yes the top financial weight.

O'Brien: Well I really haven't done the numbers Tim all I know is that there was a programme called regional partnerships in July last year the government put some guidelines on its website. They didn't change them and I think they are still there. They didn't tell anyone that in October they put another guideline that was effectively a loophole which was effectively to get around all the other guidelines and they then made decisions to fund those guidelines where as all the people applying thought the ones on the website were the ones that were applicable so we say that they were funding a whole range of seats around the country not just on the basis of a strict set of guidelines which set parameters for every applicant on the basis of political advantage that they could get. No I understand that Michael Ferguson said this morning that it was only for regional seats. I wonder if you could explain why the seat of Wentworth which is around Bondi, Double Bay, the very wealth seat in the heart of Sydney.

Cox: This is Malcolm Turnbull's seat, the smallest seat in Australia.

O'Brien: Yes and the wealthiest population in Australia got money, the seat of Parramatta in metropolitan Sydney got money, the seat of Makin, the seat of Adelaide got money, the seat of Brisbane, obviously the heart of Brisbane got money. Perth, Melbourne the seat of Sydney. A whole range of seats which had little to do with regional Australia and a lot to do with where the government wanted to put money for its own advantage were funded under the governments regional partnership programme. It seems to me if you have got a regional programme you fund the regions but he said that there wasn't funding in NSW, obviously the seats of Parramatta, Wentworth and Sydney are in NSW but the seat of New England that just happens to be held by Tony Windsor in northern NSW, it is a regional seat. They allocated \$11.7 million to that seat and several million dollars to the Deputy Prime Minister's seat, the seat of Gwydir, the also put money into the seat of Lyne which is the Deputy leader of the National parties seat and when you actually get a look at the profile of funds was allocated substantially on the basis of what the government thought was to their political advantage.

Cox: What does your enquiry hope to achieve though?

O'Brien: I think the enquiry is going to look at the administration of a government funding package which as I said was announced to the people of

Australia a set of guidelines that were on a website. It was said that that would be the rule, they would be the rules that applied to the programme and then the government in secret put an overriding guideline which allows them to effectively avoid the strict rules that applied to everyone else and make decision on the basis of what they thought should be the funding priority and pretty clearly we are going to look at just how that was done, what the decision making process was and I think this talk about Ross Kelly, well I think De-Anne Kelly who is a Minister from Queensland made decisions to help her own electorate and those of her colleagues in circumstances where letters were signed and signed after she ceased to be parliamentary secretary. Those are the sort of issues that the enquiry is going to look at, we are also going to look at the sustainable regions programme which we will be able to show is a funding programme which distributed money into areas that the government made priorities and one of those areas just happened to overlay the seat of Braddon.

Cox: We will leave it there. Thank you Kerry O'Brien.