

Additional Comments by Senator Collins

Some additional comments are important in addressing the material before the Committee relating to the pressure Mr Grech was under with respect to his evidence by virtue of his relationship with senior Liberal Party identities.

In paragraph 1.9, reference was made to the difficult circumstances in which the Committee's inquiries were conducted and the Committee's attempts to put politics aside and, with the assistance of the Senate's Privilege Resolutions, establish the facts and make findings by its usual means. That these efforts were largely successful is indicated by the Committee's presentation to the Senate of a unanimous report. Because the matters it deals with are so serious, going as they do to the protection of the integrity of the Senate and its processes, unanimous reports by the Committee are highly desirable. This is more difficult to achieve where senators may be subject to investigation and there will necessarily be some element of partisanship.

Such was the case with the second of the Committee's terms of reference in particular. It is a matter of record that the Opposition opposed these terms of reference. Consequently, Government members of the Committee were mindful to ensure that the inquiry was not a 'witch hunt' and that the report was unanimous as far as possible. There were one or two areas where Government members would have been happy to see particular issues canvassed more extensively but, in the interests of achieving unanimity, did not insist on the inclusion of such material. At the suggestion of the Committee chair, I have instead chosen to add such material by way of additional comments. In doing so, I stress that this is not a dissenting report but material in the nature of additional comments.

As rumours of a document linking the Prime Minister and Mr Grant turned into reports that there may indeed be such a document, Mr Grech would have been under pressure in the lead up to his evidence before the Economics Committee. These matters are closely associated with Mr Grech's relationship with senior Liberal Party identities, including Mr Turnbull. This relationship, and the consequences for Mr Grech as the results of his assistance to the Opposition began to surface in public, may have been in itself a source of pressure for Mr Grech.

On the evidence available to the Committee, Mr Grech and Mr Turnbull had a close relationship over an extended period of time. They exchanged at least 22 emails and 8 phone calls/text messages in the period from November 2008 to late June 2009.¹ Mr Grech was also in communication with other senior Liberal Party identities in at least 88 email exchanges from September 2008.

Further, the Committee was provided with copies of Mr Grech's phone and SMS records which showed him receiving details of Steve Lewis's phone number, as described in

¹ Treasury submission, dated 13 August 2009, attachment; AFP submission, dated 11 September 2009, attachment.

paragraph 4.26. Calls to the number used to SMS Mr Lewis's details, were made from Mr Grech's Treasury landline and mobile number on several occasions.

Call Date Phone – from Phone – to Duration

13 May 2009 at 6.32pm	0262633219	<i>(number used to SMS Mr Lewis's details)</i>	8sec
13 May 2009 at 7.24pm	0262633219	<i>(number used to SMS Mr Lewis's details)</i>	5min 36sec
4 June 2009 at 8.14pm	0262633219	<i>(number used to SMS Mr Lewis's details)</i>	10min 38sec
15 June 2009 at 10.44pm	0434315884	<i>(number used to SMS Mr Lewis's details)</i>	6min 1sec
16 June 2009 at 10.49am	0262633219	<i>(Mr Lewis's details)</i>	8sec
16 June 2009 at 3.22pm	0262633219	<i>(Mr Lewis's details)</i>	1min 30sec
16 June 2009 at 6.54pm	0262633219	<i>(Mr Lewis's details)</i>	52sec
17 June 2009 at 5.52pm	0262633219	<i>(Mr Lewis's details)</i>	2min 42sec
18 June 2009 at 9.36am	0262633219	<i>(Mr Lewis's details)</i>	13min 38sec
18 June 2009 at 1.34pm	0262633219	<i>(number used to SMS Mr Lewis's details)</i>	4min 30sec
18 June 2009 at 4.18pm	0262633219	<i>(number used to SMS Mr Lewis's details)</i>	5min 26sec
18 June 2009 at 4.23pm	0262633219	<i>(Mr Lewis's details)</i>	54sec
18 June 2009 at 7.15pm	0262633219	<i>(Mr Lewis's details)</i>	2sec
18 June 2009 at 8.20pm	0418623055	<i>(number used to SMS Mr Lewis's details)</i>	6min 30sec
18 June 2009 at 9.33pm	0418623055	<i>(Mr Lewis's details)</i>	1min 30sec

0262623219 – Mr Grech's Treasury landline number

0434315884 – Mr Grech's Treasury Blackberry mobile number

0418623055 – Mr Grech's Treasury mobile number

The nature and depth of that relationship was such that Mr Grech provided Mr Turnbull and other senior Liberal Party identities with a range of advice on policy and strategy, including drafting detailed policy documents, and advice directly to Mr Turnbull on improvements to 'our' polling; being linked to what Mr Grech called the 'Punter Pain Profile', where voters needed to suffer economically before they would 'vote anything but Labor'.²

Further examples of the nature and type of this comprehensive advice provided by Mr Grech to Mr Turnbull and senior Liberal Party identities include:

- Policy direction and strategies for dealing with the media, as well as backgrounding the media on lines of inquiry to pursue the Rudd Government;
- Strategies on the focus and direction of Senate hearings such as, agenda, order of appearance of witnesses and providing questions for Senate hearings;
- Advice on Mr Turnbull's elevation to Opposition Leader and nominating personnel for positions within Mr Turnbull's office; and
- Advice on how the Opposition deal with the ETS issue, by suggesting to back amendments to avoid a double dissolution and then attacking the shortcomings of the legislation once it passed into law.

² Treasury submission, dated 13 August 2009, attachment; AFP submission, dated 11 September 2009, attachment.

Mr Grech's advice also extended to providing Mr Turnbull advice on his dealings with the National Party, an assessment and strategy for the 2010 election that plans for a Turnbull victory in 2012–13, and on fundraising. In addition to providing advice, Mr Grech also directly canvassed a peak business body to come up with some 'decent policy proposals that Turnbull will find useful'.³ Some of the advice offered by Mr Grech was taken up by Mr Turnbull.

Mr Grech also sought to promote the business interests of some senior Liberal Party identities. Aside from the case of the car dealer referred to in the ANAO report as [*Dealer 7*], for instance, in advancing the Treasury RFT Financial Advisory Services Panel to John O'Sullivan from Credit Suisse, Mr Grech indicates that 'something extraordinary would have to happen for you not to end up on the Panel and to cream most of the work'⁴.

There is no doubt that Mr Grech believed that Mr Turnbull saw him as a dedicated operative of the Liberal Party with a partisan political agenda. In a series of emails between Mr Grech and a Liberal Party contact, it was suggested to Mr Grech that he considers a senior role within Mr Turnbull's office as either a strategic and economic adviser. A Liberal Party contact also told Mr Grech that Mr Turnbull holds him in high regard and with absolute respect. Mr Grech responded by saying that he believes 'Turnbull sees him as more valuable in Treasury' and that 'he prefers to be placed where he's most value to Turnbull, currently it's Treasury'.⁵

It would have been clear to Mr Turnbull and perhaps less so for Senator Abetz, that in relation to Mr Grech they were not dealing with a public servant trying to discharge a public duty but a dedicated operative of the Liberal party with a partisan political agenda who was placing himself at some risk in doing so.

At the Sydney meeting of 12 June between Mr Grech, Mr Turnbull, Senator Abetz and Mr Stanfield, Mr Grech's actions when he tabled the emails, allowing them to be viewed and notes taken but not copied, suggests that he considered the emails themselves would not be used but merely the information in them. Mr Grech may have believed that there was enough information provided in content alone for Mr Turnbull to pursue the issue without the need to table any of them in Parliament or to a Senate inquiry. He states 'he never intended the email to be used in the way that it was, nor did he give the Coalition permission to disclose its contents to anyone.'⁶

Subsequent to that meeting a more comprehensive set of interactions took place between Mr Turnbull and Mr Grech than Mr Turnbull stated in a joint press release on 4 August 2009.

³ Treasury submission, dated 13 August 2009, attachment.

⁴ Treasury submission, dated 13 August 2009, attachment.

⁵ Treasury submission, dated 13 August 2009, attachment.

⁶ Statement by Mr Grech published in *The Australian*, 4 August 2009.

On 16 June a strategy was proposed by Mr Grech on how to deal with journalist Mr Lewis and this strategy was endorsed by Mr Turnbull. The information was to be passed on to Mr Lewis as strictly background, off the record and not for publication basis. Mr Grech made it clear to Mr Lewis, in an email which was also forwarded to Mr Turnbull, that the information needed to be treated in accordance with Mr Grech's wishes.

Given the clear instructions from Mr Grech on how the information was to be handled, Mr Turnbull would have known that the information needed to be treated in accordance with Mr Grech's wishes. Mr Turnbull discussing it publicly with Dr Charlton in front of third parties at the Press Gallery Mid Winter ball, and the subsequent widespread reporting of this incident in the media, may have been a source of distress to Mr Grech and would have placed him under some pressure ahead of the Senate Estimates Economics Legislation Committee hearing on 19 June.

Such pressure may have been compounded by any other backgrounding that may explain Mr Lewis' preparedness to publish details beyond any understanding with Mr Grech. Mr Grech alludes to this possibility in his AFP statement referring to 'where else' Mr Lewis may have sourced detail of the email.

It is difficult to reconcile Mr Turnbull's and Senator Abetz's claim in their joint press release on 4 August 2009 that they had not had any reason to doubt the bona fides of a senior public servant such as Mr Grech.

1. Mr Grech had been acting as a de facto adviser to Mr Turnbull for some time.
2. The depth of animosity that Mr Grech held towards the Rudd government would have been well known to Mr Turnbull and senior Liberal Party identities given the level and frequency of communication between them. Terms used in those communications to describe the Prime Minister, included 'Major Rudd / Carr arse licking', 'we have to defeat this man' (Rudd), referring to the Prime Minister as a 'fraud', 'a pure fake', 'Rudd and his Hacks', and even comparing the President of the United States of America in derogatory terms such as 'the Black Jesus'. Anyone who read these comments would have been left in no doubt that they were dealing with somebody who was highly politically partisan.⁷
3. Mr Grech also demonstrated his eagerness to mislead to promote an outcome. Mr Grech suggested to Mr Turnbull when they met on 12 June that he be characterised as associating with the ACT Labor Branch to demonstrate 'the gross politicisation of Treasury'; any association of the ALP is unknown.⁸ Also, in an email to Mr Sinodinos on 21 May 2009, he advises that he 'is making a special effort' to assist the car dealer referred to in the ANAO report as [Dealer 7] because Mr

⁷ Treasury submission, dated 13 August 2009, attachment.

⁸ Treasury submission, dated 13 August 2009, attachment.

Turnbull knows the dealer and has been to the dealer's house. Mr Grech also adds that this dealer is a strong financial donor to the Liberal Party and Mr Turnbull has used the dealer's home for fundraisers. Mr Grech states that he is 'enjoying the irony' of having misled the Prime Minister in person telling him that this car dealer was a big supporter of the ALP.⁹ There is no evidence this incident with the Prime Minister actually occurred.

4. Mr Grech seemed extraordinarily keen to offer himself for the Opposition 'cause'. He was prepared to undertake significant personal risk, for example, in an email to a Liberal Party contact on 7 November 2008, he states 'My immediate motivation is to place myself where I think I could be of most value to MT and the Party. At this stage I am probably more valuable here in Treasury (albeit the personal risks I am taking)'. Not only was Mr Grech happy to be placed where he was of most value to the Opposition but he also indicated to Mr Turnbull, 'I'm happy for you to start using my name in Parliament or in the media' and to encounter any resistance from Treasury or the Government.¹⁰

It is difficult to see how these and other matters had not lead to more caution as Mr Grech clearly displayed behaviour inconsistent with that required of a senior public servant.

⁹ Treasury submission, dated 13 August 2009, attachment.

¹⁰ Treasury submission, dated 13 August 2009, attachment.