



Speech by

Peter Lawlor

MEMBER FOR SOUTHPORT

Hansard Wednesday, 14 March 2007

LIBERAL PARTY

Mr LAWLOR (Southport—ALP) (9.39 pm): Yesterday the *Australian* newspaper revealed that the Australian Electoral Commission is examining one of the most blatantly dishonest transactions in recent political history—that is, the secret, illegal and possibly corrupt payment of \$140,000 to meet the legal fees of an unsuccessful candidate for Liberal Party preselection for the seat of Moggill prior to the 2004 state election. In June 2005 I tabled a copy of the secret agreement that is now the subject of the AEC investigation, which is an investigation that I applaud the AEC for undertaking. I have a copy of it here. It has the signature of Michael Caltabiano all over it. It is between Russell Galt, the Liberal Party of Australia and Michael Caltabiano. This shameful matter involves two sets of high-ranking Liberal Party officials. It also directly involves the Prime Minister and the Federal Treasurer.

When failed candidate Russell Galt lost the preselection to the current member, he took the matter to court and lost. He then appealed but withdrew the appeal after the then state president, Michael Caltabiano, and the state director, Geoff Greene, entered into an illegal and secret agreement to meet his legal costs of \$140,000. However, there was a problem about raising the money and making the payment. The State Council of the Liberal Party specifically directed that Mr Galt's costs not be paid. To get around the state executive direction, Mr Caltabiano and the current federal Minister for the Ageing, Santo Santoro, misled Liberal Party business donors by pretending that the funds they were seeking were to be used for the state election campaign. Senator Santoro personally rang a number of business people soliciting urgent donations. He did not disclose the real purpose of his calls.

In order to get around the state executive decision, the money raised was laundered through the federal headquarters of the Liberal Party in Canberra. RG Menzies House became a giant laundromat. That illegal and secret transaction was sanctioned by the then federal president, Shane Stone. It must have also been sanctioned by the Prime Minister and the federal Treasurer who sit on the federal executive. I also believe that the transaction was a corrupt one.

The agreement was driven by the federal member for Ryan, Michael Johnson. He had backed Mr Galt in the preselection. The payment of Mr Galt's legal fees was a condition of the support for Michael Johnson's branch-stacking members at the upcoming Liberal Party State Convention, at which Michael Caltabiano's position as president was under threat. Despite this transaction being irregular, secret and illegal, the federal president, Shane Stone, laundered it through the federal organisation books, and passed the \$140,000 on to Minter Ellison. That is rightly now the subject of the AEC investigation.

The same Shane Stone has now been appointed by the state president, Warwick Parer, and Geoff Greene to 'review' federal and state MP's accounts. He is the Liberal Party's bagman as well as its laundryman. When he meets the Liberal members opposite, they need to muster the courage to demand answers as to why the Queensland organisation was raising funds for an illegal purpose and not raising funds for the state election campaign. They also need to ask him why he oversaw the secret, and deceptive laundering of \$140,000.

Time expired.