



## ETHICS COMMITTEE

### Report No. 126

## Report on a Right of Reply No. 23

### ***Introduction and Background***

1. The Legislative Assembly provides a right of reply to persons and corporations who are the subject of adverse comment in Parliament. The Ethics Committee (the committee) has responsibility for advising the Assembly regarding submissions for a right of reply.
2. The right of reply relates to statements made by members under parliamentary privilege. Persons or corporations who are named, or referred to in such a way as to be readily identified and who consider their reputation has been adversely affected, may request a right of reply.

### ***Procedure***

3. Chapter 46 of the *Standing Rules and Orders of the Legislative Assembly*, effective from 31 August 2004 (the Standing Orders), sets out the operation of the right of reply and the procedure for the Ethics Committee to follow when considering submissions. Standing Order 282(5) provides that the committee is not to consider or judge the truth of any statements made in the House or the submission when considering a submission for a right of reply.
4. Under Standing Order 283, the committee may recommend—
  - that no further action be taken by the committee or the House in relation to the submission; or
  - that a response by the person who made the submission, in terms specified in the committee's report and agreed to by the person or corporation and the committee, be incorporated in the Record of Proceedings or published in some other manner.

### ***Persons Referred to in the Parliamentary Proceedings: Professor Bob Walker and Dr Betty Con Walker***

5. On 11 September 2012 and 14 September 2012, the Treasurer and Minister for Trade, Hon Tim Nicholls MP made statements regarding a report prepared by Professor Bob Walker and Dr Betty Con Walker on Queensland finances and the Costello Commission Report.
6. On 8 October 2012, Professor Walker and Dr Con Walker wrote to the Speaker asserting that the statements made have the potential to adversely affect their reputation and seeking to have an appropriate response incorporated in the parliamentary record.
7. After satisfying herself that the matter was not frivolous, vexatious or offensive in character, and that it was practicable for the committee to consider the matter, on 31 October 2012, the Speaker referred the matter to the committee for its consideration, in accordance with Standing Order 280.

### ***The Committee's Inquiry***

8. The committee met in private session to consider the submission from Professor Walker and Dr Con Walker and how to proceed with the matter, noting—
  - the Standing Orders of the Queensland Legislative Assembly; and
  - the practice and established procedures of Ethics Committees in respect of similar submissions in the past.
9. The committee corresponded with Professor Walker and Dr Con Walker and negotiated a response in the context of the Standing Orders. Professor Walker and Dr Con Walker responded on 21 November 2012 agreeing to the response.
10. In accordance with Standing Order 282(5) the committee did not consider or judge the truth of any statements made in the House by the Treasurer or the truth of the statements made by Professor Walker and Dr Con Walker in response.
11. The committee resolved to recommend to the Legislative Assembly that the agreed response be incorporated into the Record of Proceedings.

#### **Recommendation:**

**The committee recommends that the response in the terms set out in this report, be incorporated in the Record of Proceedings.**



**Mr Peter Dowling MP**

Chair

November 2012

### **Membership — 54<sup>th</sup> Parliament**

Mr Peter Dowling MP, Chair  
*Member for Redlands*

Dr Alex Douglas MP, Chair<sup>1</sup>  
*Member for Gaven*

Mr Ian Walker MP, Acting Chair<sup>2</sup>  
*Member for Mansfield*

Mrs Jo-Ann Miller MP, Deputy Chair  
*Member for Bundamba*

Mr Ian Berry MP  
*Member for Ipswich*

Mr Ian Kaye MP  
*Member for Greenslopes*

Ms Jackie Trad MP  
*Member for South Brisbane*

Mr Peter Wellington MP  
*Member for Nicklin*

### **Secretariat**

Mr Michael Ries, *Research Director*

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<sup>1</sup> On 27 November 2012, the Member for Gaven was discharged from the committee and the Member for Redlands was appointed to the Committee as Chair.  
<sup>2</sup> In accordance with Standing Order 202(1) the Member for Mansfield was appointed the replacement committee member for the Member for Gaven as Acting Chair from 13-24 November 2012.

**RESPONSE BY PROFESSOR BOB WALKER AND DR BETTY CON WALKER TO STATEMENTS MADE  
BY THE TREASURER AND MINISTER FOR TRADE  
(HON TIM NICHOLLS MP) ON 11 SEPTEMBER 2012 AND 14 SEPTEMBER 2012**

On 11 September 2012, the Treasurer made the following statements in the Queensland Parliament:

1. *The honourable member for Brisbane Central certainly understands finances more than the so-called specialists, the honorary professor Bob Walker and his wife from Sydney University, from the groves of academia. I think it is always important that we look at the qualifications, the experience and the history of people like Walker and Walker...*
2. *... there is an endless ability for any government anywhere in the world to continue to go into more and more and more debt.*
3. *... they paid these clowns from Sydney to come up with a spurious report.*

In relation to statement 1, the Treasurer denigrated our qualifications and asserted that our experience was limited to the 'groves of academia'.

Professor Walker's academic qualifications are BCom (NSW), MEd (Sydney), PhD (Sydney). He is a Fellow of the Institute of Chartered Accountants in Australia, and joined the profession after a period working in public accounting. His publications include books and articles that deal directly with the matters raised in recent analysis of the Interim Report of the Commission of Audit. Before his recent retirement from full-time academic work he served as a professor of accounting for 33 years at the University of NSW and the University of Sydney.

He has provided advice to various Public Accounts Committees and Auditors-General. He served as chairman of the NSW Council on the Cost of Government (reporting to the Premier and to Parliament on government activities, and undertaking reviews of individual agencies) and as chairman of the Superannuation Administration Corporation (NSW), as well as providing expert accounting advice in litigation involving major corporations and the Australian Tax Office.

Dr Con Walker's academic qualifications are BEd (Sydney), PhD (Sydney), DipEd. (Sydney) She has written books and articles dealing with matters of public policy. She has never worked in academia, and has previously worked for CSR Limited, for the NSW Cabinet Office and NSW Treasury working with Premiers and Treasurers from both sides of politics before setting up her own consultancy firm. She has also served on various government bodies.

In relation to statement 2, we have never claimed or suggested that 'there is an endless ability for any government anywhere in the world to continue to go into more and more debt'. No such claim or suggestion appears in our review of the Costello Report or in any of our other writings.

In relation to statement 3, we reject the claim that we provided a spurious report and that it only reflected what our client (the Queensland Council of Unions) wanted us to write regardless of the facts or our own interpretations.

On 14 September 2012, the Treasurer made the following statements in the Queensland Parliament:

1. ... *Honorary professor Walker and his wife—collecting a nice earn out of the union movement—say that gross debt is not a measure you should use...*
2. *This is effectively saying that we should be able to raid superannuation savings to pay down the debt that Labor incurred to support the budget.*
3. *I have some recollection that even Andrew Fraser said that the Walkers were low rent, provided low-rent advice and had no economic credibility.*
4. (a) ... *their mates in the union movement have gone down to their tame honorary professor from New South Wales—;*  
(b) *The Queensland Council of Unions have a tame someone—Walker and Walker.*

In relation to statement 1, we have never claimed that measures of public sector 'gross debt' were irrelevant in assessments of a government's financial management. We noted that one of the commonly accepted indicators of a government's financial circumstances is 'gross debt less financial assets', otherwise known as 'net debt'. In short, the concept of 'gross debt' is relevant as a component of the calculation of 'net debt'.

In relation to statement 2, we have never claimed or suggested that the Queensland government 'should be able to raid superannuation savings to pay down the debt that Labor incurred to support the budget', in fact we said the complete opposite. We said that *'if the government wishes to claim that its defined benefit superannuation schemes are fully funded then it should do the right thing, and transfer the assets from QTC to the control of trustees of the relevant public sector superannuation funds'*.

In relation to statements 3 and 4 (a) and (b), we reject the claim that we provide 'low rent' advice and that we are 'tame' consultants. We provide consultancy services for what we consider is a reasonable professional fee, having regard to our qualifications and specialist knowledge and experience. As for the claim that we have no 'economic credibility', our qualifications, experience and record as commentators on financial matters speak for themselves.

**Legislative Assembly of Queensland**  
**STANDING RULES AND ORDERS OF THE LEGISLATIVE ASSEMBLY: EFFECTIVE FROM 31 AUGUST 2004**  
**EXTRACT: CHAPTER 46: CITIZEN'S RIGHT OF REPLY**

**279. Reference to a person includes a corporation**

- (1) In this chapter a reference to a person includes a corporation.
- (2) A corporation making a submission under this chapter is required to make it under their common seal (if it has a common seal).

**280. Affected person may make a submission**

- (1) A person who has been referred to in the Legislative Assembly or a committee by name, or in such a way as to be readily identified may make a submission to the Speaker:
  - (a) claiming that the person has been adversely affected in reputation or in respect of dealings or associations with others, or injured in occupation, trade, office or financial credit, or that the person's privacy has been unreasonably invaded, by reason of that reference to the person or corporation; and
  - (b) requesting that the person be able to incorporate an appropriate response in Hansard or the relevant committee report.
- (2) The Speaker may refer the submission to the ethics committee if the Speaker is satisfied:
  - (a) that the subject of the submission is not so obviously trivial or the submission so frivolous, vexatious or offensive in character as to make it inappropriate that it be considered by the ethics committee; and
  - (b) that it is practicable for the ethics committee to consider the submission under this chapter.
- (3) A person shall ensure a submission is received by the Speaker within the term of the Parliament in which the person has been adversely referred.

**281. Submissions**

- (1) A submission under this chapter shall be succinct and strictly relevant to the questions in issue and shall not contain anything offensive in character.
- (2) A submission under this chapter shall not contain any matter the publication of which would have the effect of:
  - (a) unreasonably adversely affecting or injuring a person or corporation, or unreasonably invading a person's privacy, in the manner referred to in SO 280(1); or
  - (b) unreasonably adding to or aggravating any such adverse effect, injury or invasion of privacy suffered by a person.

**282. Action by the ethics committee**

- (1) The ethics committee may decide not to consider a submission referred to it under this chapter if the committee considers that the subject of the submission is not sufficiently serious or the submission is frivolous, vexatious or offensive in character, and such a decision shall be reported to the House.
- (2) If the ethics committee decides to consider a submission under this chapter, the ethics committee may confer with the person who made the submission and any member who referred in the House to that person or corporation or where the submission relates to another committee's proceeding, the relevant committee.
- (3) In considering the submission under this chapter, the ethics committee shall deliberate in a private meeting.
- (4) The ethics committee shall not publish a submission referred to it under this chapter or its proceedings in relation to such a submission, but may present minutes of its proceedings and all or part of such submission to the House.
- (5) In considering a submission under this chapter and reporting to the House the ethics committee shall not consider or judge the truth of any statements made in the House or the submission.
- (6) If a person making a submission does not respond to a communication from the committee within three months, the committee may consider the matter to be closed.
- (7) Public servants seeking a right of reply must do so as private citizens.
- (8) Persons making their submission through a representative must personally sign the response.

**283. Recommendation and report by the ethics committee**

In its report to the House on a submission under this chapter, the ethics committee may make either of the following recommendations and no other recommendations:

- (a) that no further action be taken by the ethics committee or the House in relation to the submission; or
- (b) that a response by the person who made the submission, in terms specified in the report and agreed to by the person or corporation and the ethics committee, be incorporated in Hansard.