



## FEATURES

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# Treasury official reveals how the Utegate scandal backfired on Turnbull

## Why I faked email: Grech

## EXCLUSIVE

Paul Maley

GODWIN Grech has admitted he created the "fake email" at the heart of the OzCar affair and claimed that he passed the contents of that email to Malcolm Turnbull under "enormous pressure".

The senior Treasury official, speaking from a psychiatric ward in Canberra last night, admitted to an error of judgment in creating the email.

But he said he still believed there had been an original email from Kevin Rudd's office, urging help for Ipswich car dealer and Labor donor John Grant, but conceded it could not be found.

Speaking exclusively to *The Australian*, Mr Grech said he co-operated with the opposition to save the jobs of 2000 people by seeking their support to pass the OzCar finance bill in the Senate.

"My concern was that the issue of Grant could be used to frustrate the passage of the bill," he said.

Mr Turnbull declined to comment on the meeting but last night a spokesman for the Opposition Leader said Coalition support for the bill was never in doubt, citing comments from the Coalition supporting the bill as early as May. And senior Coalition sources said it was Mr Grech who initiated the meeting at which the email was handed over. They said that, far from being a passive victim, he encouraged the opposition to go after the Prime Minister on the email and to pursue the claims of favours in the Senate.

Mr Grech said he handed a printout of the email's contents to Mr Turnbull and Senate deputy leader Eric Abetz — which he later took back — at a meeting at his wife Lucy Turnbull's office in Sydney's Potts Point on June 12, one week before Mr Grech's explosive evidence before a Senate inquiry.

In a claim that will increase pressure on Mr Turnbull's leadership, the ailing official said he wrote down a series of questions for the Opposition Leader to ask in parliament which concerned Mr Rudd's statements that he had not sought special favours for Mr Grant.

Mr Grech said he made an error of judgment in faking the now notorious email, in which the Prime Minister's economics adviser, Andrew Charlton, purportedly sought Mr Grech's help in seeking special treatment for Mr Grant.

Mr Grech's claims, revealed exclusively in *The Australian*, will place enormous pressure on Mr Turnbull as the Auditor-General's report into OzCar, to be released today, is expected to



clear Mr Rudd and Wayne Swan of any wrongdoing.

The government has demanded Mr Turnbull apologise and resign if his allegations are not substantiated. Mr Rudd moved to increase pressure on Mr Turnbull ahead of the release of the Auditor-General's report.

"I think it's important for Mr Turnbull to come out and describe in detail all of his dealings with Mr Grech. All meetings and all conversations," Mr Rudd said.

"Mr Turnbull must also tell the Australian people if he, or anyone else associated with the Liberal Party, discussed the Senate inquiry with Mr Grech before Mr Grech appeared as a witness. These are some of the very basic questions which need to be answered in this forged email affair."

Mr Turnbull said he had given the Australian Federal Police full co-operation on the fake email affair, but the Auditor-General had not spoken to him in relation to his inquiry. "I assume I don't feature in his report, and nor should I," Mr Turnbull said.

Mr Grech remained adamant an email from the Prime Minister's office concerning Mr Grant had been sent in which help was requested for the car dealer.

His decision to fake the email followed a conversation with the Treasurer's chief-of-staff, Chris Barrett, on June 4, in which Mr Barrett asked Mr Grech if he had ever received an email from Mr Charlton.

Mr Barrett's question was in response to evidence Mr Grech had given earlier that day at a Senate estimates hearing about the matter.

Mr Grech told Mr Barrett he believed an email existed.

But, unable to find the email on his Treasury email system, he fabricated the communication — a record of which has never been found despite exhaustive searches — based on what he said was his recollection.

"It is at this point that I made an error of judgment," Mr Grech told *The Australian*.

"Rather than preparing a note for file recording the discussion I had with Barrett, including setting out what I thought the

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Broken man: Godwin Grech claims he was pressured into releasing confidential information



During Utegate: The Turnbells on last night's *Australian Story*



Where they met: Lucy Turnbull's office in Potts Point, Sydney



Directly involved: Liberal senator Eric Abetz, who was at the meeting

## Lib leader faces renewed calls to resign

GODWIN Grech, a broken public servant whose career is over and who feels betrayed, has broken his silence and condemned Malcolm Turnbull.

Just as Kevin Rudd and Wayne Swan can expect to be "exonerated" of any wrongdoing over the finance scheme for troubled car dealers, the Opposition Leader can expect to face fresh demands for his resignation.

The Treasury official — once deemed reliable and professional by John Howard and Peter Costello — has made claims that suggest he was pressured into releasing confidential information and that he did so because he believed that, in return, the Coalition would not delay his beloved car financing scheme.

This is much more than the

### DENNIS SHANAHAN COMMENT



traditional confidential documents "falling off the back of a truck" into the hands of the opposition; these claims, in the key participant's own words, suggest a political bargain took place, a trade-off for wrongdoing. This allegation alone could make Turnbull's position untenable.

The real problem for Turnbull is no longer a failure of political judgment over the use of what turned out to be a fake email to call for Rudd's resignation.

Rather it is that Grech claims the Liberal leader had intimate involvement and direction in the handling of "confidential" Treasury information and the coaching of a senior Treasury official in the leaking of the material. Turnbull became deeply and personally involved in the release of what he believed to be an email that could bring down the Prime Minister.

Now, Grech, his public service career gone, is mounting a personal defence for errors of judgment in his dealings with Turnbull as he awaits public obliteration in the Auditor-General's report.

While refusing to deny the bulk of Grech's relevant claims, the Liberals are keen to throw as much doubt as they can on his central defence that he gave them information in the hope that it

would assist the passage of the emergency car financing bill.

The problem the Liberals have is that simply denying Grech's claims is not enough; Grech's state of mind and understanding about why he was doing something is pertinent. The Treasury officer in charge of the OzCar scheme was "fearful" that the opposition's desire for another Senate inquiry would mean it missed the deadline and he admits making "an error" by giving Turnbull and Liberal senator Eric Abetz the text but says he only did so "under great pressure".

He says he was "reassured" that a Senate inquiry could be done very quickly and that the "bill should be able to pass by the critical date of June 30". Grech also says he never autho-

risied anyone to publish, report, comment or discuss the contents of the email, which he showed Turnbull and which he discussed in a telephone conversation with a journalist that Turnbull arranged. Abetz was apparently able to use the conversation with the journalist to clear the Liberals of any obligation to honour Grech's wish that the material not be published and then made public at the Senate inquiry.

The Liberals can deny any understanding or quid pro quo on their behalf but the other side of the conversation has a different view. Grech had credibility enough for Turnbull to orchestrate the release of the damaging claims and then call for Rudd to resign. But Turnbull's star witness has turned.

## Lobbyist Bolkus headhunted for connections

Michael Owen  
SA political reporter



Rann Bolkus

ONE of Australia's top political lobbyists, former Labor senator Nick Bolkus, was headhunted because of his connections with the Rann government to be a director of an aquaculture company that has gone into administration.

The collapse of Australian Bight Abalone — the nation's largest holder of abalone farming leases and licences — has left 1200 people who invested \$43.8 million in limbo.

Mr Bolkus, who is a business partner with Howard government foreign minister Alexander Downer in Adelaide-based lob-

byist firm Bespoke Approach, also chairs the state Labor fundraising body SA Progressive Business.

Inquiries by *The Australian* reveal ABA chief executive Andrew Ferguson is a regular at SA Progressive Business events, where those in attendance pay up to \$1500 each for intimate dinners and special briefings with

South Australian Premier Mike Rann and his senior cabinet ministers.

SA Progressive Business documents show that between September and November, Mr Rann is scheduled to personally host eight Labor fundraising events, charging people between \$110 and \$1500 to attend.

Mr Ferguson told *The Australian* he had met Mr Rann, Deputy Premier Kevin Foley and Infrastructure Minister Patrick Conlon and "certainly have had a meal with all of those guys". He also met with Fisheries Minister Paul Caica about six weeks ago and "he (Caica) agreed to catch up (again) at a later date", Mr Ferguson said.

However, Mr Rann's office denied the Premier had ever met Mr Ferguson.

"Having searched through the office records, we have no record of the Premier having any meetings with Mr Ferguson," a spokesman said in an emailed statement.

"I'm sorry, but I'm unable to answer for every minister."

In a statement last night, Mr Conlon said: "I have met with people from Australian Bight Abalone many times and discussed issues concerning their business."

Mr Caica said he had a "brief, informal conversation" with Mr Ferguson, and "no state government money has been provided

to ABA from Primary Industries and Resources SA".

When approached outside state parliament yesterday, Mr Rann refused to speak to *The Australian* about the matter, saying he had "covered" it in other interviews.

Mr Rann came under renewed pressure yesterday to take a stand on regulating political donations and the role of lobbyists, and to acknowledge the benefits of an independent anti-corruption body, after Queensland Premier Anna Bligh instructed all state MPs that "they are no longer allowed to attend

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## NT government hangs in balance over housing

Natasha Robinson

THE future of the Northern Territory government could be decided today, with Indigenous Affairs Minister Alison Anderson preparing for a showdown with the Chief Minister during a pivotal meeting of cabinet.

More than a week of tension will come to a head during the meeting, with Ms Anderson understood to be on the verge of carrying through on her threat to quit the government after a dispute over Aboriginal funding caused a near fatal breakdown in relations between

Ms Anderson and key members of the government.

The NT Labor government has been teetering on the brink of collapse since Ms Anderson heavily criticised her party after learning the administration was preparing to cream millions off the top of a \$672 million Aboriginal housing package.

The NT government lost its majority in parliament in June when former deputy chief minister Marion Scrymgeour quit. Mr Henderson at the weekend moved to curtail the NT government's expenditure on administrative costs.

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Dr Freeman said the three cases of black market acquisition of RU486 in her patients involved women who obtained the drug in China and India.

The most recent case, that of the Indian woman, happened in October or November last year. The woman said she had obtained the RU486 from a doctor in India. When she saw Dr Freeman at her Spring Hill surgery in inner Brisbane, she indicated she had either taken the pill or would take it that day.

Dr Freeman said she prescribed the woman misoprostol, in accordance with her licence, and advised her to take the drug two days later. This conformed with the treatment protocol used by Professor de Costa and most of the 60 other medical

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