# Key and me: the PM, the editor and beers with the Tele boys



From left, ALP adviser Tim Gleason, David Penberthy, Joe Hildebrand, Kevin Rudd, Luke McIlveen and Malcolm Farr

DAVID PENBERTHY

It was like a scene out of a western when we arrived at the front doors of the Gaslight Inn, a trendy pub in the inner-Sydney suburb of Dar-

The bar was packed and loud but the place fell silent as everyone realised who was standing there. Slowly, the chanting started.

"Ke-vin! Ke-VIN! KE-VIN!" As the two of us walked in, it rose to a deafening roar.

"KE-VIN!KE-VIN!KE-VIN!" Kevin Rudd couldn't wipe the

smile off his face. It was about 11pm on a Friday in mid-2007, and the opposition leader was riding an unstoppable wave of national popularity that its most adept chronicler, the late Matt Price, dubbed The Age of Kevinism.

I bought the first round of beers

as fans queued for handshakes,

hugs and selfies with Rudd. Two

blokes invited us to play doubles in eight ball. Rudd broke, sending the white ball flying off the table. That Friday night in Surry Hills was one of a dozen or so meals I had with Rudd on his ascent to the

Labor leadership and subsequent

the Howard era and the Rudd We would have dinner together at a now-defunct French bistro called Tabou on Crown Street near the News Corp offices in Surry Hills, and sometimes head

out for a cleanser after.

Between those meals I spoke with

him by phone and, more often, by

text, on countless occasions. Rudd

sought me out in my capacity as

editor of Sydney's Daily

Telegraph, a role I held from April

2005 to November 2008, giving

me a front-row seat for the end of

When he became PM, Rudd organised several nights at Kirribilli House for what he liked to call "The Tele Boys", which meant myself, Luke McIlveen, Joe Hildebrand, Simon Benson, and when he was up in Sydney from Canberra, our national political editor Malcolm Farr. A couple of these nights finished around 3am, and they always involved a strange tradition invented by Rudd where he would challenge us to a running

None of this is meant to sound like big-noting. You could sit a

Bordering on farce for those far from home

race up the hill at the harbourside

shop manneguin in an editor's chair and the most ingratiating politicians would still be lining up to kiss it on the backside. I just happened to be the mannequin.

That said, our newspaper played a pivotal role in covering the transition from John Howard to Rudd. And reflecting on our coverage, especially in 2007, the year of Howard's defeat, you could ask whether the former member for Bennelong might be the one asking for a royal commission into the conduct of News Corp, publisher of The Australian, given the

thoroughness with which we

documented his demise, convinced as we increasingly were of its inevitability.

And while Rudd now claims to be smited, the truth is that Rudd enjoyed one of the greatest armchair rides Australian politics has ever seen. I know. I was holding one of the armchairs.

I said that Rudd sought me out as editor. That is an understatement. Rudd was incessant in his desire to engage with and use the media to realise his desire for power. He was particularly desperate to win favour with The Daily Continued on Page 6

CANBERRA TOLD TO 'REFLECT ON BEHAVIOUR'

# China blitz on exports strikes wine

# WILL GLASGOW

China has imposed tariffs on more than \$1.2bn of wine exports and told the Morrison government to "reflect upon its own behaviour" in a dramatic escalation of trade tensions

extraordinary new measure, with tariffs of up to 212 per cent effective from Saturday, will all but wipe out the Australian wine industry's trade with China. It follows the halting of the \$700m lobster export sector and restrictions on \$lbn in coal stranded out of port.

Under the changes, Chinese importers will have to pay a duty on Australian wine ranging from 107.1 per cent to 212.1 per cent depending on the company that produced it.

Treasury Wine Estates, the producer of Penfolds and Lindeman's, dropped more than \$600m in value before its shares entered a trading halt after the news broke.

Trade Minister Simon Birmingham said the sanctions against a number of industries this year gave rise to the perception "these actions are being undertaken as a result or in response to some other factor (apart from dumping)".

"Doing so is completely incompatible with the commitments that China has given

The task for Morrison is to between antagonism and appeasement. And it will be much harder than that sounds. KELLY P15

What if China's recovery — driven substantially by Western stimulus funding that has boosted

slowly slides downhill? **ROWAN CALLICK P15** 



through the China-Australia freetrade agreement and through the World Trade Organisation," Senator Birmingham said "It's incompatible with a rules-

based trading system. "The idea that Australia some-

how subsidises our wine industry for it to be able to dump or sell product below cost on international markets is a falsehood."

The sanctions are contained in a preliminary ruling released by the Chinese Ministry of Com-

merce on Friday, after China's drinks industry accused Australian winemakers of dumping discounted wine and reducing their competitiveness.

The Ministry of Commerce said it had conducted the investigation in accordance with Chinese regulations and World Trade Organisation rules. Hours after announcing the

sanctions, China's Foreign Ministry spokesman Zhao Lijian said: "I think the Australian side should reflect upon its own behaviour. They should think about whether they have respected China's interests. We urge the Australian side to face up to the problems, correct their own mistakes, (and) take seriously China's concerns instead of harming China's interests and moving further down the wrong path.'

Mr Zhao's comments were a dramatic rebuff of Scott Morrison's attempt this week to repair relations with China, when the Prime Minister told a British think tank that Australia did not want to contain China and was not acting at the behest of the US.

Those comments were favourably received by Beijing only on Tuesday, three days before the new tariffs were announced. Continued on Page 2

EDITORIAL P23 BUSINESS P25 **JOHN DURIE P38**  **CAROLINE OVERINGTON** I am, you are, we are all Austra-

lians. Then, of course, there are the West Australians, who tend towards "west-is-best", and who can honestly blame them? It's quite the state. But it's still part of Australia,

and expats say the stubbornly closed border is creating unnecessary grief for the diaspora, who need — that's their word to get to WA in time for Christmas. Because what do you really want from Santa in 2020? Nothing he can shove in your stocking.

You want to be with family With your widowed Mum, or your poorly Dad. With your east-coast kids on Pop's west-coast lap.

So, come on, Mark McGowan What's stopping you from making a few Christmas dreams come

The plea comes from WA expats, tens of thousands of whom call the eastern states home. They are young professionals, mostly,

who came across the Nullarbor in search of jobs: who ended up married to poor saps from the inferior states; who don't want to break the solemn promise made to their now-ageing parents: we'll come back for Christmas.

From left, West Australians Leisha Freebury, Olivia Lowe, Sarah Aitken and Paige Murphy with their children at Milk Beach in Sydney

Sarah Aitken's story will be familiar to anyone in the diaspora: she studied commerce in WA; came east for work; and married a bloke — Angus Aitken, the stockbroker — and had three kids, now

aged nine, eight and five. Her father died in January and they were able to attend the funeral. She hasn't been able to see her widowed mother since.

"I could understand in the beginning there were health concerns," Sarah says. "But now, it's political. And parochial. Even some of my friends on social media are anti the rest of the country, like, keep those east-coasters out, but it really bugs me that in times of crisis, that we have people willing to stoke those divisions pitting one state against the others, when we are all Australians.

Mr McGowan on Friday said his state would keep its borders closed to Victoria — despite it having no community transmissions for 28 days — against earlier health advice. Instead, the WA Premier will decide next week whether Victorians, and later, people from NSW, can come.

NIKKI SHORT

Leisha Freebury is in a similar spot: she married Matthew Continued on Page 5

his tongue. No longer. Free of the

criminal charges he fought

Crook is speaking out to "turn the

tables" on the National Australia

Bank over the plot he helped

hatch to lure a senior loans officer

to a holiday island and make him

confess to mismanaging the

financial affairs of wealthy entre-

MORE REPORTS P5 EDITORIAL P23

# Pell 'stalked' over Vatican cash

**EXCLUSIVE** 

PAOLA TOTARO JOHN FERGUSON

Opponents of Pope Francis' push to clean up Vatican finances applied unprecedented psychological pressure and created a climate of fear in their attempt to stop George Pell and his allies investigating Swiss bank accounts which allegedly held more than \$300m, according to a book chronicling events preceding the Australian cardinal's downfall.

Senior officials working for the Vatican's financial oversight body set up to examine misconduct concluded one break-in at the organisation's headquarters was meant as a warning, after little was



VICTOR SOKOLOWICZ George Pell on Friday

stolen except documents relating to a murdered banker.

Anxiety levels were so high that officials involved in the financial reform process felt "vulnerable, observed, spied on", Italian journalist Gian Luigi Nuzzi —

who has covered decades of financial intrigue in Rome — writes in The Vatican's Black Book. "The theory that this was an

intimidatory act was also accepted at the most senior levels when the news was relayed to the Pope and to Pell who had only been in his new post a couple of weeks," Nuzzi writes in his book about the months after Cardinal Pell took over the role of reforming the Vatican's finances in 2014.

The internal workings of the Vatican have come under close scrutiny in recent months after Italian newspapers and The Times of London reported on the lavish lifestyles by high-ranking including Cardinal

**INQUIRER P17** 

# Premier briefed on hotel guards

EWIN HANNAN **REMY VARGA** DAMON JOHNSTON

A document prepared by Daniel Andrews' private office detailing the proposed use of private security guards in the botched hotel quarantine scheme was sent to the Victorian Premier late on the day the scheme was established by national cabinet.

Documents released by the hotel quarantine inquiry on Friday also reveal that Jason Helps, who co-led Victoria's response to the pandemic, said Chief Health Officer Brett Sutton "may have been aware or had the opportunity to be aware of the use of private security".

The inquiry has been investigating how private security came to be used in the quarantine scheme, a move blamed for the devastating spread of the coronavirus out of hotels and into the community, but has yet to find

answers to key questions.

The new documents make clear the Premier's office was aware of the use of private security guards on the day the hotel scheme was quarantine announced. But the documents appear to shed little new light on who decided to use private security over Victoria Police and Australian Defence Force personnel and for what reason.

Mr Andrews received an email from his deputy chief of staff, Jessie McCrone, at 11.58pm on March 27 that attached quarantine information ahead of a press conference the next day.

The document, prepared by a

policy adviser in the Premer's office, details 25 questions and answers, and mentions the use of private security guards in two.

It asks: "What additional measures have been implemented at the hotels for this new purpose?" "Private security and additional cleaning have been arranged for the hotels, to keep travellers, and the broader Victorian community, safe," it says.

The references to private security are significant because they confirm members of the Premier's office were aware of their proposed use on the day the scheme was established.

In an affidavit released by the inquiry on Friday, Mr Andrews said he did not recall reviewing Continued on Page 4

MORE REPORTS P4

# Crook goes after bank in wake of six-year torment

**INSIDE STORY** 

**JAMIE WALKER** 

It is nearly six years since police walked down Andrew Crook's driveway, costing him his good name, millions of dollars and just about everything else he valued. Seventy-one months during

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which the 54-year-old had to bite

FULL REPORT P9

preneur Tony Smith.

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Continued on Page 8

# Pell 'vulnerable, spied on' in Vatican cash battle

Continued from Page 1

returned to Rome.

Giovanni Angelo Becciu, a wellknown rival of Cardinal Pell. Cardinal Becciu, who was sacked earlier this year, has

strongly denied those reports. Cardinal Pell was charged with multiple sexual offences in June 2017 and convicted of five charges by a Melbourne jury the following year. But the High Court overturned those convictions in April. and Cardinal Pell has since

Cardinal Pell's private secretary, Mark Withoos, Nuzzi writes, was warned his boss might be being tailed, forcing him to report the matter to security. Cardinal Pell told Father Withoos, who is Australian, that people needed to have "nerves of steel" and that it might be part of a psychological war to unsettle efforts to deal with Vatican finances.

The book also details an incident soon after Cardinal Pell became the head of Vatican finances in which documents relating to the 1982 murder of the Vatican

banker Roberto Calvi were stolen from the head office of the organisation heading the reforms.

Nuzzi claims that after the break-in, Vatican security had found part of the dossier of papers stolen from the archive in the pigeonholes used for the Vatican Prefecture, most relating to missives between key figures in the 1970 Vatican Bank scandal that resulted in the death of Calvi, who was found hanged from London's Blackfriars Bridge in 1982. Nuzzi writes the break-in and

theft was seen by the Vatican as a mafia-style message not to look into the finances or intervene in the existing arrangements. The 835-page book also says that in 2016 Cardinal Pell had detailed how he believed that up to \$11bn belonging to the Vatican could be held in foreign banks; he came to this view after meeting Australian bankers in London.

It describes Pope Francis' decision to promote Cardinal Pell as flawed, particularly as he had knowledge of the allegations against the Australian at the time.



VICTOR SOKOLOWICZ

George Pell, in Rome on Friday, suspected his enemies were waging a psychological war

According to Nuzzi, Cardinal 2016 and on his return met with

Danny Casey, the former business Pell flew to London in October manager of the Sydney archdiocese and a prominent Australian

Catholic. "I've been in (London's financial district) and I met with some friends, Australian bankers,"

Cardinal Pell was reported as saying at the time.

They confirmed to me that there are important funds belonging to the Vatican which are still hidden in Switzerland."

Allegations of sexual abuse levelled at Cardinal Pell have long been linked by supporters with conspiracy theories that the prosecutions were related to the battles he fought in Rome against forces resistant to reform. No evidence has been forthcoming to substantiate those claims.

The Australian reported in October that anti-corruption authorities were looking into money wired from the Vatican to Australia — Italian newspapers La Repubblica and Corriere della Sera said Vatican investigators suspected the money was used to derail Cardinal Pell's trial.

The Vatican investigation is also looking into the purchase of a \$363m London property, while a 39-year-old woman working for Cardinal Becciu was arrested earlier this year over allegations of unauthorised payments.

# **Leader in** retreat as 'voice' hits the road

**EXCLUSIVE** 

PAIGE TAYLOR INDIGENOUS AFFAIRS CORRESPONDENT

One of Australia's most senior Aboriginal leaders is stepping back from the design of an Indigenous voice two months after accusing the Morrison government of a convoluted and flawed response to the Uluru Statement from the Heart's call for a voice to parliament to be enshrined in the Constitution.

Canberra-based Pat Turner is a member of the senior advisory group for the voice that is about to begin the consultation phase of its

design. But Ms Turner will not participate when proposed designs for the voice are shown at a series of events across Australia, possibly starting before the end of the year.

However, she told The Weekend Australian: "I do look forward to seeing what arises from them."

Ms Turner intends to remain on the senior advisory group that worked on the proposed designs for the voice, despite her stated misgivings about a "governmentcontrolled" process that she has described as high on rhetoric and well rehearsed

She worked closely with Indigenous Australians Minister Ken Wyatt to jointly negotiate a new national agreement on Closing the Gap that commits states and territories to measured reductions in Indigenous disadvantage.

It was signed in July but Ms Turner stunned Mr Wyatt with a National Press Club address in September lamenting that the process for settling on a design for the voice did not represent real shared decision-making between Aboriginal and Torres Strait Islander people.

"As it is currently proposed, final decision-making on our voice is to occur behind closed doors by government." Ms Turner said at the press club.

Since then, the 18-member senior advisory group has given



Mr Wyatt its report on what the Indigenous voice should look like. It is before cabinet.

In all, 52 Indigenous and non-Indigenous people in three groups were involved in designing the proposals that are set out in the submission to Mr Wyatt.

Their work was overseen by Indigenous leaders Marcia Langton and Tom Calma, who chaired about 80 meetings.

Mr Wyatt's department — the National Indigenous Australians Agency — helped with research and administrative support.

Scott Morrison told parliament in February that the government supported an Indigenous voice "because if we are going to change the lives of Aboriginal and Torres Strait Islander peoples on the ground, we need their buy-in to the matters and policies that affect them".

It is intended as a way for Indigenous people from even the most remote communities to be heard in Canberra.

Professor Langton has encouraged Australians to "engage constructively" in the consultations that begin soon and said people should wait to see the roposals before ruling support in

"The focus and the work of the three groups involved in the voice co-design process ... has been to empower Indigenous Australians so Australian governments can hear their voices and make a difference in their lives." Professor Langton said last week.

While Mr Wyatt has said it is his ambition to legislate the voice before the next election, the Morrison government does not have a formal position on this.

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# **P**PYMBLELC

# Cashless debit card gets Hanson support

# **EXCLUSIVE**

**ROSIE LEWIS** 

Scott Morrison is one vote short of making the controversial cashless debit card permanent in four trial sites and moving another 26,000 people in the Northern Territory and Cape York onto the card, after One Nation leader Pauline Hanson declared it had left Indigenous communities better off.

In what will be a tough parliamentary battle for the Morrison government in the year's final sitting fortnight, The Weekend Australian has confirmed Senator Hanson and her One Nation colleague Malcolm Roberts have offered crucial backing to the legislation

But with Labor and the Greens opposed to the bill, Social Services Minister Anne Ruston will have to convince one more Senate crossbencher to vote with the government

If the bill does not pass this year, existing trials in Ceduna (South Australia), the East Kimberley (Western Australia), Goldfields (WA) and the Bundaberg and Hervey Bay region (Queensland) of 11,910 people — the vast majority of them Indigenous in Ceduna and the East Kimberley

—will stop operating. People in the NT and Cape York who are on income management — about 25,943 — would also continue using the Basics-Card rather than the cashless debit card, which the government says is "more flexible and userfriendly".

Independents Jacqui Lambie and Rex Patrick are undecided while Centre Alliance, which holds one Senate vote in Stirling Griff, would support a two-year extension of the trial sites.

The minor party wants access to data addressing the effectiveness of the scheme before considering whether the trials should become permanent. "All Australians would expect

if a person is receiving Centrelink payments and it's a working age payment, they would be spending their money on the necessities of life and not alcohol and gambling," Centre Alliance MP Rebekha Sharkie said. "If you're going to roll out the

card you also need to ensure you provide the wrap around (support) services and the government hasn't done that in any of the locations.' Designed to reduce welfare-

fuelled alcohol, drug and gambling abuse, the debit card. established under the Abbott government, allows people to buy groceries and pay rent but does not work at bottle shops or gambling venues, and it cannot withdraw cash.

A large majority of a person's welfare payment - 80 per cent goes on the card and 20 per cent goes into their bank account.

Senator Hanson said Indigenous Australians on the card had told her they were grateful because they no longer had family and friends asking them for money

Prior to COVID-19, they had told her rates of domestic violence, drug and alcohol abuse had decreased.

She conceded "a lot of people will be upset with me" for supporting the bill, but said "sometimes you've got to make the tough decisions" in the interests of future generations.

"It also sends out a message this is taxpayers' money, if you want the right to spend your money freely then go and get yourself a job," she said.