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TRANSCRIPT SKY NEWS WITH KIERAN GILBERT 11 OCTOBER 2022

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E&oe

KIERAN GILBERT: And for more on the issue of power prices in particular, the warning from Alinta Energy that prices could spike as much as 35% next year. I spoke a short time ago to the Manager of Opposition Business, Paul Fletcher. I began by asking him whether this was a sign of how dire our nation's energy situation has become.

PAUL FLETCHER: Well, look, this is very serious and what it reflects is that we've got a Labor Government which doesn't have a plan to deal with cost of living, including energy price increases. We've already had strong increases in energy prices this year, both electricity and gas. We're now looking at, according to a chief executive of one of Australia's biggest power companies, 35% increases for retail consumers next year and we need to see a plan from the Labor Government to deal with this. They've been busy telling the world about their strong targets, but they need to work through and deliver on a plan to address the impact on the cost of energy for Australians and for households and for businesses, because it's an essential of life.

GILBERT: The Treasurer today points out the energy shock out of the Ukraine conflict, but also, he argues, a decade of delay and denial under the Coalition is in part to blame for these energy price situation that we face right now. What's your response to that?

FLETCHER: Well, look, I think Jim Chalmers seems to have an excuse for every situation. He's a real "dog ate my homework guy". But the fact is Labor's in government. They've been in government for almost five months. The Australian people expect them to have a plan to deal with cost of living issues, including the very serious issues when it comes to sharp rises, rises in the price of gas and in the price of electricity. And this very sobering assessment from a chief executive of one of Australia's biggest electricity companies or biggest energy companies, that next year, retail consumers can expect price increases of 35%. That's just only increases the urgency we need to see a plan from Labor to deal with sharp rises in cost

of living. Of course this comes on top of interest rate rises, which means that many Australians are paying \$1,000 a month or more in increase in their mortgage bills. We are seeing a cost of living crisis across the economy. We need to see a plan from the Labor Government to deal with that.

GILBERT: I know you've made a response to the Prime Minister's change to the Ministerial Code, or at least clarification on to the Ministerial Code of conduct. The Prime Minister's Department saying that a substantial area of ownership when it comes to a balanced fund that could give rise to a conflict for a minister, would be a majority ownership of any balanced fund in an area where they have responsibility, like for example, in telecommunications, if they're the Communications Minister. Is this an appropriate and fair standard, do you think?

FLETCHER: Well, this is a ruling that the Prime Minister has sought from the Department of Prime Minister and Cabinet, which frankly drives a truck through his much-hyped Ministerial Code. He told us that this was going to be a tough new Ministerial Code to get to have new standards of integrity. There was going to be strict adherence to it. We know there hasn't been strict adherence because it contains an express prohibition on ministers owning shares. Three Ministers Kristy McBain, Bill Shorten, Tim Ayres have all admitted owning shares. In fact, they put in their returns showing that late in August when the code had been in effect since early July. But one of the other issues in the code is it says there are strict restrictions on when you can own a managed fund, which in turn owns shares in a company, and one of the things it says is that that fund can't invest to any significant extent in a company which falls within the sphere of your portfolio. Now, we asked questions about this because Ged Kearney, Assistant Health Minister, owned managed funds, which had more than 10% of their money invested in health funds and Attorney-General Mark Dreyfus owned a fund which had, as one of its top ten shareholdings, the listed litigation funder Omni Bridgeway. We've got a series of unsatisfactory responses in Question Time. Then over the weekend they've slipped out this new ruling, this "get out of jail free" card from the Department of Prime Minister and Cabinet, which now says it's only a significant interest if the managed fund holds more than half of its money in companies in the minister's portfolio. Now, let's just think about that. That means the Communications Minister, under this ruling, would be allowed to own a managed fund which held 49% of all of its money, invested in telecommunications companies or television companies. The Resources Minister, would be able to own managed funds which held 49% of its money invested in oil and gas companies. This is such a low bar that it means effectively you can drive a truck through this Ministerial Code. Apparently it was supposed to be all about tough new standards, but this ruling means in fact that we've seen very loose standards here.

GILBERT: What should be the benchmark then to qualify for a significant stake in an area of responsibility that would preclude a minister from doing so?

FLETCHER: Well, the code already contains some very clear pointers on this because it says, for example, if a minister becomes aware that a managed fund that he or she owns has made an investment that could give rise to a perception of a conflict of interest, then the minister needs to inform the Prime Minister and divest himself or herself of that managed fund. So no mention of percentages there. The language on its face sets a very high bar: "if a

perception could arise of a conflict of interest". Yet and the code also says you test this for ministers not just based on their own portfolio, but on any matter which is considered by Cabinet. There's a specific clause dealing with this. So my point is, Mr. Albanese has a code which on its face looks tough. When they've come under pressure, they haven't been able to explain why Minister after Minister hasn't been complying with the code. And what they've now done is slipped out, over the weekend, a ruling from Prime Minister and Cabinet which essentially says, well, if the managed fund has up to 49% of the money it owns invested in companies within a minister's portfolio area that minister is not breaching the code. There is no conflict of interest. Let's go back to the underlying purpose of these kinds of codes, which of course have existed for many governments. They certainly existed under our government. You do not want ministers having an ownership interest, a significant ownership interest in a company which is going to be subject to decisions made by that minister. And as this code goes on to say, decisions made by the cabinet. You can only conclude that this is a pretty desperate attempt to try and get a ruling from Prime Minister and Cabinet to let off the hook a series of ministers who in fact do have significant investments in managed funds. Mr. Albanese needs to either enforce his code or admit that in fact it falls a very long way short of the kind of rhetoric that we've heard from him about it.

GILBERT: Well, they've obviously had to provide some clarity in this case, and some of the ministers have had to offload their interests. Isn't it a higher bar, though, that they're setting a much higher bar with this code of conduct? And the Coalition government ever said itself?

FLETCHER: Kieran not at all, because these provisions regarding managed funds also applied under the previous government. The wording is the same. What's different is that we didn't have a get out of jail free card. We did not have nor seek a ruling from Prime Minister and Cabinet - the Department thereof - which says, your managed fund can hold up to 49% of its money in companies in the portfolio that you've got responsibility for, without it triggering issues of a conflict of interest. But that is effectively the ruling that the Albanese government has now obtained for itself from the Department of Prime Minister and Cabinet. You can be pretty sure there would have been some back channel conversations about what they were looking for. So quite the contrary: this is a significant weakening of the standard which previously applied when ministers owned managed funds. Because we've now got a statement in writing that the fund can hold up to 49% of its money in companies that fall within the portfolio of the relevant minister. So on any view, a that has got to be a weakening, not a strengthening of the Ministerial Code compared to what applied under the previous Government.

GILBERT: Manager of Opposition Business Paul Fletcher. I appreciate your time as always. Thanks.

FLETCHER: Thanks, Kieran.

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