

# LATELINE

Late night news & current affairs

## TV PROGRAM TRANSCRIPT

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## Stone's leaked memo

It's rare to see the details of private polling conducted by any of the major political parties. Rarer still to see what Liberal MPs really think about their PM and the Treasurer, while they're still in office. We need wait no longer, a leaked memo from Federal Liberal Party President Shane Stone to John Howard airs the party's dirty linen for all to see. There are warnings that ministers don't listen, that they're captives of the bureaucracy, and some of the sharpest barbs are reserved for the Treasurer, Peter Costello. It is a political hand grenade but, for all the harsh words, the larger question tonight is- who lobbed it, and why?

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**Compere:** Tony Jones

**Reporter:** Gillian Bradford

GILLIAN BRADFORD: Flashback to Queensland on February 18, and the Liberal Party was having one of its worst-ever days.

Peter Beattie retained government with a massive majority, leaving the Liberals shattered with just a shell of three seats.

On top of the Coalition's thumping just the week before in WA, the defeat sent fear through the Federal Coalition.

But the PM wasn't ready then to acknowledge just how much trouble his Government was in.

JOHN HOWARD, PRIME MINISTER (February): This was a very bad result for the Coalition in Queensland.

But it was determined overwhelmingly on State issues.

GILLIAN BRADFORD: But the very next day, party President Shane Stone was getting a very different message from Federal Queensland MPs.

He called them in to bare their souls and tell him why the Liberals had nearly been wiped out.

WARREN ENTSCHE: The intention always is to be open and frank in what was discussed.

I think clearly that was the case.

GILLIAN BRADFORD: What the MPs told Shane Stone was then put in a memo by him to the PM, which has now been leaked to the 'Bulletin' magazine.

In it, Mr Stone details the concerns that came out of that meeting.

"We are seen as a mean government and have just been too tricky on some issues.

For example, GST on caravan park fees, beer and fuel."

GILLIAN BRADFORD: Throughout the memo, it's the Treasurer and, to a lesser extent, Deputy PM John Anderson who appear to cop most of the blame for the Government's woes.

Mr Stone writes: "The Government is out of touch, Costello seen as the main offender.

The dead hand of Treasury is everywhere and bureaucrats are in charge.

(Costello and Anderson seen as captive to their departments.) WARREN ENTSCHE: I have raised the issue and I know many of my colleagues have said that ministers need to be controlling their bureaucracies rather than the other way around.

There was a lot of concern about the action of the Treasury and, I suppose, as the Treasurer the buck stops there.

GILLIAN BRADFORD: Other Queensland MPs at the meeting have confirmed the memo is accurate.

One said it read like a tape recording.

So who would have leaked all this vented fury to the media, and why?

If a memo was sent directly from Shane Stone to John Howard, there shouldn't be any more than two or three copies in existence.

You'd think no-one in the Liberal Party could gain from revealing such an unflattering portrait of the Government.

But the one person who comes off far worse than anyone else is Peter Costello.

Mr Costello's supporters are already calling on Shane Stone to explain how the leak may have occurred.

Some are calling on him to resign.

Both Mr Howard and Mr Stone have refused to comment.

Gillian Bradford, Lateline.