

Staff drew up spreadsheet on Deeming vote

Rachel Eddie
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Opposition Leader John Pesutto's staff ranked Victorian Liberals in a colour-coded spreadsheet on how they would be likely to vote on the motion to expel Moira Deeming from the party room and which MPs could be swayed, the Federal Court has heard.

In the fourth day of his cross-examination in the defamation trial against him, Pesutto yesterday rejected the assertion that he had made offers in exchange for support when the court was shown the spreadsheet and suggestions on how to "pitch" the expulsion to undecided MPs.



Moira Deeming; John Pesutto

Pesutto said he did not create the document and described it as "ideas bubbling up from staff".

Deeming has told the court she helped organise the Let Women Speak rally outside the Victorian parliament on March 18, 2023. Neo-Nazis were among several groups of protesters that attended. Pesutto moved to expel Deeming from the parliamentary Liberal Party in the days after the rally.

The court heard yesterday that Pesutto's then deputy chief of staff, Chantale Asmar, circulated a spreadsheet on March 21, 2023, that categorised every Liberal MP on how they were expected to vote: strong no (red), no (orange), unsure (yellow), yes (light green) and strong yes (dark green).

"Pitch - Coalition threat might get him over the line" was listed in

the comments next to shadow attorney-general and former Liberal leader Michael O'Brien's name.

Deeming's barrister, Sue Chrysanthou, SC, suggested to Pesutto the spreadsheet showed that he would seek to turn O'Brien by threatening the dissolution of the Coalition agreement. Pesutto told the court that was absurd. He said it reflected concern that the outcome of the expulsion motion could affect the Coalition agreement.

The document said shadow treasurer Brad Rowsell was unsure and "could be persuaded by Kroger" - a reference to former state party president Michael Kroger.

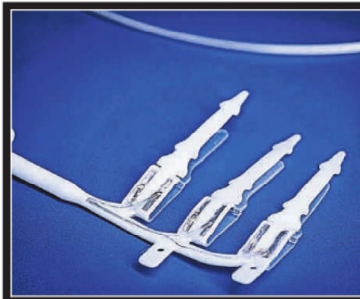
Education spokeswoman Jess Wilson was listed in yellow beside the comment "Kroger? Josh?" in an apparent suggestion that Kroger or former federal treasurer Josh Frydenberg could move her to a yes vote.

The document estimated the motion had the support of only 10 MPs in the party room of 31. Another eight were viewed as unsure and 13, including Deeming, were listed as against the motion, portrayed as a proxy vote on Pesutto's leadership. An updated spreadsheet was circulated days later, which had moved many of the MPs to a yes vote, although Pesutto's staff estimating they were still one vote short of a majority.

In his affidavit, tabled by the court yesterday, Pesutto said he had been surprised when Deeming was preselected for the 2022 election, given she had been knocked back for the federal seat of Gorton. He said he had been concerned her "notoriety" could hurt his campaign in the seat of Hawthorn.

Deeming alleges Pesutto defamed her as a Nazi sympathiser, which he rejects.

The trial is now expected to drag on until the end of this month.



Melbourne researchers (below) have high hopes for the vagus nerve stimulator (above) which could help patients such as Sara Ferola (right) who has Crohn's disease. Photos: Penny Stephens, supplied



Viva las vagus, the nerve

Liam Mannix
Science reporter

Place a finger on the hollow of your neck, where your jugular vein drums out the rhythm of your life.

Beneath this thick vein runs the vagus nerve, one of the major connecting cables between brain and body. It sends signals to the heart and lungs and nearly every other organ essential for your continued existence.

The vagus is part of our parasympathetic nervous network: it calms and soothes the organs, dulls inflammation, stands down our immune armies.

A growing range of diseases - Alzheimer's, rheumatoid arthritis,

heart disease - are being linked to inflammation. What if we could trigger the vagus' relaxing activity ourselves, scientists wonder.

In November, surgeons at the Austin Hospital made a small incision in the abdomen of patient Anthony Becker, who has the inflammatory bowel condition Crohn's disease, and slipped three small platinum electrodes around the vagus nerve's sheath.

The electrodes are wired to a stimulator about the size of two matchboxes which sends a 10-hertz burst for three hours.

The hope: those signals will be read by the gut, brain and immune system as an order to cut down

inflammation. So far, so good. "He's doing really well. He's happy with life," says Professor James Fallon, chief technology officer at the Bionics Institute in Melbourne, which is running the trial. "He lost his remote control at one point. And that's the biggest complication we've had so far."

Fallon imagines implanting the stimulator in thousands more people as a tool to slow the progress of chronic disease.

"I see a future where not everyone, but lots of people, might end up with a device like this."

That's if he can prove it works. Despite more than 125 years of research, the nerve remains mysterious, its power untapped.



key to new medical hope

"We have a good handle on the fact [stimulators] work," says Dr David Farmer, who studies vagus signalling at Monash University. "But we don't know exactly what the mechanism is."

Eastern spiritualists were some of the first vagus stimulators. The nerve can be triggered simply by slowing your breathing. Meditation, yoga and mindfulness are all efforts to send calming signals.

In the 1980s, scientists discovered they could stimulate the nerve with electricity. Since then, treatments for epilepsy and depression have been developed largely through trial and error, says Andrew Butler, a vagus nerve researcher at the Florey Institute.

Scientists who work on the vagus hope that focusing now on inflammatory diseases, like Crohn's or rheumatoid arthritis, will open up a broad new frontier.

Sara Ferola developed Crohn's disease soon after having her son, Jaxon. She remembers "feeling very foggy and tired" and then suffering from severe panic attacks. She lost 15 kilograms and tried various medications without success before finding an antibody therapy that worked.

But the approved therapies come with long lists of side effects.

"I will always have hope that there is a treatment like this device that will give me a better quality of life," she says.

Even if researchers can prove stimulation works for a broader range of conditions, there is the safety concern: the stimulators need to be implanted.

Risks from that procedure have dogged spinal cord stimulators, and led Australia's drug regulator to deregister several products. To help prove safety and effectiveness, the Bionics Institute has just won \$4.8 million from a US foundation to develop the next generation of stimulator and take it to further clinical trials.

James Fallon is confident hurdles can be overcome. "Our body is an amazing thing. If you get it to do what it's built to do, just a little better, that's fantastic."

Union boss says 'Asmar gang' used slush fund

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The commission's most serious claim in its civil action against the Asmars involves allegations that the pair siphoned \$2.7 million from the union with the help of a printing company that issued false invoices for "ghost printing" services never rendered while it secretly handed large sums of money to David Asmar at meetings in cafes.

The commission is also investigating why former CFMEU boss John Setka sent \$180,000 in members' fees to the ghost-printing scheme that is now being probed by police.

Court documents show the commission intends to use bank statements and telephone records to support its action, but defenders of



From left: Bill Shorten, John Setka, Andrew Landeryou and Diana Asmar.

the Asmars have attacked the case as deeply flawed.

While the union watchdog's case against the Asmars is yet to be tested in a court, the civil action - along with sweeping actions taken against the CFMEU - has reshaped key ALP and union alliances, with the Asmars left deeply

isolated within the party. Separately, the CFMEU's former bosses have been forging an alliance with the Greens as part of a campaign to attack the Albanese government over its decision to place the binding union into administration.

The Age has confirmed the case against the Asmars has its origins

in a probe by the Independent Broad-based Anti-corruption Commission.

In 2023, IBAC released a report that concluded the Health Workers Union had been improperly awarded a \$1.2 million government contract on the eve of the 2018 state election after pressure from

ministerial staff, then-premier Daniel Andrews' office and Asmar. By then, IBAC had secretly referred a key part of its inquiry into Asmar to Victoria Police and the Fair Work Commission. IBAC was unable to take further action because the suspected corruption was outside its jurisdiction.

IBAC's referral led to recent moves by the commission to launch legal action against the Asmars in the Federal Court and to a separate bid by the national Health Services Union to put the Victorian branch - the Health Workers Union - into administration.

The Health Services Union has had no allegations against it and is backing the Fair Work Commission's case against the Asmars. Eden's affidavit was sworn in support of the HSU's Federal

to back their Labor mates

Court case attempting to force the HSU into administration.

The affidavit was released by Federal Court Justice Craig Dowling after an application by The Age.

Eden names the "Asmar gang" members as Setka, David Asmar and veteran ALP political operative Andrew Landeryou, the husband of Labor senator Kimberly Kitching, who died in 2022. Of that group, only David Asmar is being investigated by the Fair Work Commission.

Eden also alleges that Asmar boasted about her links to senior Labor minister Bill Shorten, who also formerly employed David Asmar in his electorate office.

There is no suggestion that Shorten has engaged in any wrongdoing and multiple ALP sources said the minister had distanced

himself from the Asmars and urged scrutiny of their financial affairs.

But Eden's affidavit places Landeryou, who for years has operated as a powerbroker in Labor's

The civil action has reshaped key ALP and union alliances.

Right faction and is a friend of Shorten, at a meeting in which the union secretary directed Eden to be united.

Eden's statement claims that on a Sunday in April, Asmar held a meeting at her house with

Landeryou, David Asmar and her allies in the union in which she conceived a plan to have Eden investigated for bullying allegations in order to silence him. Eden has denied the bullying claims and alleged they were contrived to force him from the union.

Supporters of Landeryou have said privately he was at the Asmars' home by chance and had no involvement in any discussion about Eden. Landeryou and the Asmars declined to comment.

Eden claims his concerns about Asmar's spending of union funds were heightened after he told her he was taking a family holiday to Mexico and she allegedly instructed him to "take the union Visa debit card and pay for everything".

"I said no. I thought that was highly inappropriate," he said.

Budget hit by wear, tear of a slowing economy

Shane Wright
Senior economics correspondent

A sharp fall in tax revenue from workers and businesses over the past four months has exposed an emerging economic fault line ahead of the coming federal election, despite the government producing one of the largest budget surpluses on record.

As Treasurer Jim Chalmers declared he was "unconvinced" that any changes to negative gearing would boost housing supply, the final results of the 2023-24 budget showed a surplus of \$15.8 billion.

The second successive budget surplus under Chalmers was \$6.5 billion better than he forecast in May. But the improvement came despite a \$5.4 billion shortfall in expected tax revenue.

While collections from working Australians reached a record high of \$381.5 billion during the just-completed financial year, this was \$3.1 billion lower than Treasury forecast five months ago.

Company tax collections, at an all-time high of \$142.9 billion, were \$1.7 billion down on the May forecast. In another sign people are cutting costs, GST revenues were also down \$800 million on expectations. Even tobacco excise, which over the past five years has been one of the government's most important sources of revenue, was lower than forecast at \$9.7 billion.

While revenue was down, spending was also lower than forecast in May, down by \$10.2 billion. The government saved almost \$2 billion due to a lower-than-expected demand across programs including the National Disability Insurance Scheme and COVID-19 vaccinations.

Much of the rest in savings came from states not meeting milestones under various joint programs.

The budget was also helped by extra non-tax revenues, including \$400 million due to better returns from the Future Fund and \$300 million in extra interest.

Chalmers said across the government's two first budgets it had improved the budget by a cumulative \$172 billion and aided in its efforts to bring down inflation while making financial space for cost-of-living relief such as its energy support payments. He said the government had also reduced the level of debt that the Morrison government had expected, while at the same time

desisting from a slowing economy. "We are looking for a soft landing in our economy, our fiscal strategy plays a really important role in that, and that's why we're proud of the two surpluses," he said.

Forecasts for the 2023-24 budget were first released by then treasurer Josh Frydenberg during the depths of the COVID shutdown in 2020. At the time, he expected government gross debt to have reached more than \$1.1 trillion in 2023-24 and the deficit to be at \$66.9 billion. Instead, gross government debt had reached \$906.9 billion while the budget bottom line was \$82.7 billion better than forecast.

But shadow treasurer Angus Taylor accused Chalmers of trying to con the Australian public, as households struggled with a 9 per cent fall in their after-inflation disposable income.

"We should also be clear that this is the biggest spending, biggest taxing government in Australian history. Taxation since Labor came to power for the year just passed, is up \$104 billion, receipts is up \$104 billion, receipts is up \$104 billion, receipts is up \$104 billion."



and the vast majority of that they have actually spent," he said.

As a share of the economy, however, tax revenues edged down from what had been forecast to 23.7 per cent. It is the highest tax-to-GDP ratio since 2007-08, when the budget was in surplus, but is smaller than other years including 2004-05 and 2005-06 when it reached a record level of 24.2 per cent.

Commonwealth Bank chief economist Stephen Halmarick said the drop-off in both personal income and company tax collections was consistent with the slowdown in the economy, a fall in the terms of trade and a loosening of the jobs market.

Chalmers has been under pressure since The Age revealed last week that the Treasury department had started work on options to scale back negative gearing and capital gains tax concessions.

Yesterday he effectively killed any changes, saying the government was focused on its program of supply measures rather than reforms to the tax system.

"Well, supply is our primary consideration... As the prime minister said last week, he is unconvinced and we are unconvinced of the impact on supply," he said. "Our focus, as I've said in response to all these questions, is not on negative gearing or capital gains. The focus is on housing supply and rolling out our \$32 billion of investment."