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**COMMENTARY (PI1)**  
**'Yes vote will not divide us'**  
Pat Dodson's passionate plea



**Love, nudity & beautiful movie scenes**

**Notoriously shy actor Lea Seydoux gets candid {PI2}**



**SAVING SMITH**  
Radical idea to preserve his Test career {P24}

■ GALLAGHER FACES CLAIMS OF MISLEADING PARLIAMENT ■ SHARAZ IN TEXT MESSAGE BOAST TO HIGGINS

## Exuding power in a scandal

### Labor's growth plan will work: PM

GEOFF CHAMBERS  
ELLIE DUDLEY

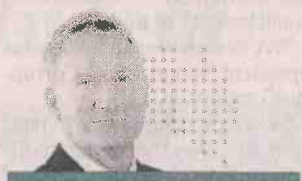
Katy Gallagher is facing serious claims she misled parliament over an outburst in which she rejected assertions she was tipped off about Brittany Higgins' rape allegations in 2021, as pressure builds on Anthony Albanese over Labor's war-gaming with Ms Higgins' fiancé David Sharaz.

The Finance Minister and senior government ministers went to ground on Thursday following the damaging fallout from text messages and audio recordings of Mr Sharaz and Ms Higgins boasting about contact and collusion with senior Labor figures.

The Australian can also reveal texts between the couple that show Mr Sharaz's response to their growing fame after the allegations became public, with Ms Higgins' partner telling her they "exude power" and expressing his delight at organising her private meetings with former prime ministers Kevin Rudd and Malcolm Turnbull.

Revelations in The Australian that Ms Higgins and Mr Sharaz claimed to have corresponded with Senator Gallagher days before the former Liberal staffer went public with her rape claim have embroiled the Albanese government, which ran on an election platform of anti-corruption and

### Labor sought to gain – it's found only political pain



SIMON BENSON  
COMMENT

The vexing domestic realities of being prime minister have landed squarely at Anthony Albanese's feet this week after his return from overseas.

Facing a war with inflation, battles with business, the spectre of recession and flagging support for the voice to parliament, Albanese now also faces a potential political scandal involving senior members of his government.

Having had an easy ride for the first 12 months in office, Albanese is now under pressure, with the road ahead riddled with potential political potholes.

The key to the Brittany Higgins text revelations is who among Albanese's cabinet colleagues knew what and when. There are unresolved questions about what level of involvement members of the



Senator Katy Gallagher at a Senate estimates hearing on June 4, 2021



EXCLUSIVE

GEOFF CHAMBERS  
CHIEF POLITICAL  
CORRESPONDENT

Anthony Albanese will defend his government's plan to lift flat-lining productivity and warn households and businesses that high inflation, soaring interest rates and tight financial conditions could deliver two years of global economic pain.

Speaking at the The Australian-Sky News Economic Outlook forum on Friday, the Prime Minister will reject Coalition claims the May 9 federal budget added to inflation and contributed to the 12th cash rate hike in just over a year.

Amid growing recession fears on the back of stagnant GDP growth, climbing interest rates and a record decline in productivity, Mr Albanese will declare "Australia needs to lift our game on productivity".

"As a country, we need a smarter and more strategic ap-



first major integrity crisis.

Senator Gallagher, who first met Mr Sharaz as ACT chief minister a decade ago, did not answer six questions put to her by The Australian about whether she misled parliament and when or how she became aware of Ms Higgins' allegations.

Peter Dutton said Ms Higgins' reported \$3m taxpayer-funded payout and the role played by Senator Gallagher should be referred to the National Anti-Corruption Commission.

The allegation Senator Gallagher misled parliament traces back to a June 2021 Senate hearing when former defence minister Linda Reynolds claimed that senior Labor figures had been tipped off about Ms Higgins' allegations before they were aired in the media.

"No one had any knowledge. How dare you! It's all about protecting yourself," Senator Gallagher shot back at Senator Reynolds, who was Ms Higgins' boss at the time of her alleged assault by colleague Bruce Lehrmann. But text messages from February 11, 2021 – four days before Ms Higgins' Ten Network interview went to air – show Mr Sharaz implying that Senator Gallagher did know about the allegations before they were made public and said she was "really invested" in Ms Higgins' story.

Albanese has expressed full confidence in Finance Minister Katy Gallagher.

Why this is potentially damaging for the Albanese government is clear. A key part in the politics of Labor's successful characterisation of Scott Morrison was that he was out of touch with women.

When the Higgins rape allegations surfaced, in a strict

Continued on Page 2

Leaked messages obtained by The Australian also revealed on a number of occasions Mr Sharaz asked Ms Higgins: "Are you getting spotted? Are people noticing you? Anyone recognise you?"

On March 16, 2021, about a month after Ms Higgins was interviewed by Lisa Wilkinson on The Project, Mr Sharaz texted Ms Higgins to say "we exude power".

In the months after Ms Higgins became a nationally known figure, Mr Sharaz also organised tea with Dr Rudd at his Brisbane apartment. "It's not exactly a shack. A \$10m penthouse haha," Ms Higgins' partner said.

On another day, he expressed delight at an invitation to see Mr Turnbull.

Senator Gallagher referred The Australian to an ABC interview from earlier in the week, after refusing to explain her relationships

FEBRUARY 11, 2021

Texts revealed by The Australian suggest Labor senator Katy Gallagher is aware of Brittany Higgins' rape allegations. Higgins' partner David Sharaz, in a message to Higgins, says:

Katy is going to come to me with some questions you need to prepare for ... She's really invested now ha ha.

with Ms Higgins and Mr Sharaz and whether she discussed a civil claim against the commonwealth with either of them.

Asked by the ABC about a recording of Mr Sharaz saying "I've got a friend in Labor, Katy Gallagher", the Finance Minister said: "I have nothing further to add to this. Particularly it's been raised in relation to a settlement or a compensation package in relation to Miss Higgins and that I had absolutely no role in that at all. And ... I think that's all I need to say."

Across 2021 and 2022, Ms Higgins' name was mentioned in Senate estimates hearings at least 338 times by senators, with Senator Gallagher referencing the former Liberal staffer on 135 occasions, or almost 40 per cent.

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MORE REPORTS P2

JUNE 4, 2021

'No one had any knowledge. How dare you!'

Gallagher's response to then defence minister Linda Reynolds' claim she knew about the alleged Higgins assault before it was made public



JUNE 8, 2023

'I have absolute confidence in Senator Gallagher.'

ANTHONY ALBANESE

# Sharaz a puppet master: Lehrmann

EXCLUSIVE

JANET ALBRECHTSEN  
ELLIE DUDLEY

Bruce Lehrmann has claimed Brittany Higgins' partner David Sharaz is a "puppet master" who orchestrated the release of the rape allegations against him, and says he has exploited Ms Higgins' "fame" to engineer a campaign to support Labor and topple the Liberals.

Mr Lehrmann's scathing opinion of Mr Sharaz comes as leaked text messages reveal Mr Sharaz had used his connections with a former Labor media adviser to

line up a job for Ms Higgins, following her resignation from the office of former attorney-general Michaela Cash.

The Australian revealed on Thursday Ms Higgins and Mr Sharaz planned to enlist the help of senior Labor MPs to pursue Ms Higgins' rape allegation and her claim the Coalition government covered it up.

Following those revelations, Mr Lehrmann claimed to The Australian that Mr Sharaz used his girlfriend's rape allegations to "take down the Liberal Party in some respects". "Then I think he's probably now riding the wave of Higgins's fame that he got," Mr Lehrmann said.

Mr Lehrmann pointed to evidence given by senior AFP constable Emma Frizzell in the Sofronoff inquiry, that during a rest break in Ms Higgins' first recorded police interview in March 2021, Mr Sharaz "entered the room and without concern for Ms Higgins' welfare, commenced showing and discussing media coverage to Ms Higgins".

"I believe the level of media involvement did affect the conduct of the investigation of Ms Higgins' complaint," Constable Frizzell said on May 26. "I believe it was a tool driven by Ms Higgins and Mr Sharaz, which is evident by the first engagement I had with them, whereby Ms Higgins advised she

wished to see how the media played out prior to providing a statement."

Mr Lehrmann claimed Constable Frizzell's evidence was indicative of Mr Sharaz "being the puppet master, essentially".

"He just keeps injecting himself into it," he said. "He's just more worried about how best to spin it or sell it or drop something in the media."

Mr Lehrmann accused Mr Sharaz of wishing to weaponise sexual assault to advance the Labor Party, describing him as a "class A typical political staffer".

"(Seemed) clear that he was there to sell a message and that

Continued on Page 2

ben-deating matter that says Australian workers should be expected to do more with less – or work longer for less," he will say. "Too often, the economic debate about boosting productivity is conducted only in the very narrow terms of things that governments should be abolishing or eliminating or undoing.

"Now, of course, we should always be looking for efficiencies, we should always be mindful of unnecessary barriers or overlap.

"But in the decade ahead, all of us need to think much bigger than this."

Following warnings from Reserve Bank of Australia governor Philip Lowe about persistent inflation and the risk of further rate hikes, Mr Albanese will argue that the budget "focused on making sure fiscal policy works with monetary policy – not against it".

"Because we know interest rate rises put pressure on mortgage holders and small business. And we know inflation is regressive. It hurts those with the least, the most," he will say.

"So the best thing we can do to help working Australians is to take the pressure off inflation, create jobs and get wages moving again."

As industry groups push back against the government's same job, same pay industrial relations changes, the Labor leader will call on business to help maximise an economic growth plan based on "optimism and urgency".

He will say working with the states and territories – rather than picking fights with them – will contribute to the "common interest in building a stronger economy".

"This is especially important at a time when the global economic outlook remains highly uncertain. The combination of high

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SECOND EDITION NO 18,239



## Baby's skull fractured after accused was allowed to walk

EXCLUSIVE

KRISTIN SHORTEN

A convicted domestic violence perpetrator – who was given a wholly suspended sentence for reasons including that his partner was pregnant – has allegedly fractured a baby's skull by drunkenly hitting the child with a glass bottle during her first birthday party.

The baby, from the outback town of Tennant Creek, remains in an Adelaide hospital after undergoing surgery following the attack 12 days ago.

The girl was flown from the predominantly Indigenous community, 500km north of Alice Springs, to Adelaide late on May 28 after the man allegedly threw a

bottle which hit her head. On Wednesday, NT Police revealed the child remained in hospital in Adelaide in a stable condition.

The day after the attack, police charged the man with aggravated assault, unlawfully causing serious harm and recklessly endangering serious harm.

Officers allege the 26-year-old was intoxicated when he assaulted the child using a "blunt weapon" at the remote community.

Court documents obtained by The Australian reveal that at the time of the infant's assault, the man had been serving a suspended sentence for breaking his partner's jaw during an attack in May 2021 after a night of drinking.

FULL REPORT P3

## Dark warning on power blackouts

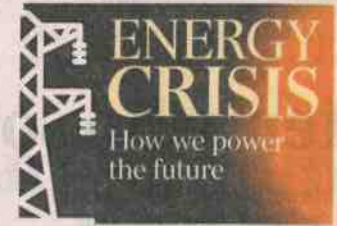
EXCLUSIVE

COLIN PACKHAM  
NICK EVANS

The premature exit of coal stations from the power grid before enough replacement generation is developed will increase the risk of blackouts and price surges, large energy users have warned.

New renewable energy generation projects are being rushed through development, but not enough zero-emission sources are being built quickly enough to compensate.

The closure of the country's biggest coal plant – Origin Energy's Eraring coal station in NSW, which could shut its doors up to seven years early in 2025 – is concerning the market, according to Tomago Aluminium, the



nation's largest smelter and biggest single consumer of power.

"It is important not just to navigate the destination but also the transition process," Tomago chair David Fallu said.

"We need to be open-minded about the future of Eraring and see it as an opportunity to support the transition pathway rather than having a legislative timetable in mind."

Greg Everett, chief executive of Delta Electricity which operates a rival coal plant to Eraring at

Vales Point, said Australia was on course to be materially short of sufficient energy capacity.

"I don't believe the system can operate securely if Eraring closes. Not all of Eraring needs to be there but there is some ongoing requirement," Mr Everett told The Australian.

"People had an expectation about the pace of transformation, and that has not happened. In the end, there is a system requirement that is just maths and physics, and these don't have an ambition. The maths will force the issue."

Josh Stabler, managing director of consultancy Energy Edge, said the closure of Eraring would cause the most strain on the system in winter 2026, the first peak demand period without the country's largest coal plant.

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## Vacant office towers to make way for residential

ERIC JOHNSTON

A housing crisis will force Australia's big cities to rethink how they use their vacant office towers which should make way for residential apartments, according to the boss of Blackstone, one of the world's biggest property investors.

New York-based Jon Gray said while people were returning back to the cities to work, "there will be less demand for office space on a relative basis".

At the same time there has been underbuilding of housing across most developed markets around the world.

"It's a structural shortage. And in places like Australia where there is large immigration

as a per cent of population you haven't been building housing at a rate to keep up with that," Mr Gray said in an interview.

Mr Gray was speaking in Sydney ahead of his appearance as a speaker at Australia's Economic Outlook conference hosted jointly by Sky News and The Australian on Friday.

Blackstone, which now owns Crown Resorts, has declared the casino and hotel operator will be one of the best in the world and is planning a major spending spree across its ageing Melbourne site.

But, Mr Gray conceded it would be a "long journey" to get the casino empire once owned by billionaire James Packer firing again.

FULL REPORTS P4

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