



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PROOF

**COMMONWEALTH ELECTORAL
AMENDMENT (POLITICAL DONATIONS
AND OTHER MEASURES) BILL 2009**

Second Reading

SPEECH

Monday, 16 March 2009

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Questioner
Speaker Sidebottom, Sid, MP

Source House
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Question No.

Mr SIDEBOTTOM (Braddon) (1.19 pm)—I will just comment on some of the comments of the previous speaker, the member for Fadden. Apart from the hyperbole that he specialises in in this place, I would remind him of something before he leaves the chamber. There you go, he walks out, because he can never discuss an argument. First and foremost, people talk about electoral reform, particularly the political donations side of it, and we just heard 15 minutes of it. But we are asked to walk the journey to do something about it and, as the member for Banks rightly pointed out, this bill was not meant to be, nor is it, a comprehensive reform of the system. It is part reform and sensible reform of that system. There was an opportunity for bipartisanship—as the member for Cook well knew; he is personally, no doubt, somewhat embarrassed by his stance—and it is a sense of bipartisanship on which I think we should have been able to arrive at some consensus.

I would also point out that the other side bang on about the union movement's contribution to the election of a Labor government, or certainly the change of government in 2007, and rightly so. It is not news. Of course, the coalition go on to say that the union are trying to influence policy, for instance, on industrial relations from this side of the House. Well, there is news! But what they do not point out is that the business lobby groups made such a substantial contribution to those on the other side during the last election and still do. And you do not think they are trying to influence industrial relations policy of this government or the position on the other side or have any influence on the climate change debate and the introduction of an emissions trading scheme? So let us not have this silliness that the member for Fadden specialises in, this hyperbole that he constantly spits out so that he can be the leading speech maker on the other side. Indeed, he boasts at his barbecues that he will make the most speeches on the other side.

I rise to speak in support of the Commonwealth Electoral Amendment (Political Donations and Other Measures) Bill 2009 and while some on the other side discount its importance, the integrity of the funding of our electoral system cannot be underestimated. This legislation is a fundamental part of restoring the trust of the Australian people in our electoral system, which I believe was undermined when the former government increased the levels of donations and failed to tighten

the loopholes that exist. This lack of action allowed more questions over where the money was coming from.

The bill is about taking the Australian system of electoral funding to best practice and making sure people, lobby groups and corporations cannot dance around the regulations to achieve their own aims or seek to influence the system just from the sheer depth of their pockets rather than with their arguments. Almost daily we hear about the lack of trust in politicians. Here we have a chance to restore some of the trust by making the majority of political donations open and upfront—as simple as that. Perhaps the most significant change proposes to reverse the massive increase in the level of disclosure which was allowed by the previous government. To reduce this from the current indexed level of \$10,900 to a fixed level of \$1,000 will be an important first step on that journey—as the member for Banks so rightly pointed out in his very good contribution to this debate. This will be coupled with a secondary move to eliminate the practice of splitting these gifts between related branches and divisions of political parties to avoid the necessary disclosure. There is a simple way to fix this, and it is something there should be bipartisan support on, but there is no comment at all from the other side. I am sure some people out there will be frantically looking for a loophole and a way around this, which is why we need to head down this path. But, if the donations were made in an upfront way, there should be no need to spread them around branches in a way that avoids reporting and disclosure to the Australian people.

The bill will also outlaw overseas donations, bringing Australia into line with other countries, such as the United States. One may ask why this should be prohibited. But such donations are outside the jurisdiction of the Australian Electoral Commission and again allow another avenue for those who do not want to be part of an open, upfront and transparent system to find another way around the current regulations. Another important move is to reduce the time frame for reporting on donations. Prompt reporting will allow a quick response to any problems or patterns which are emerging in donations and funding and give the proper authorities a chance to investigate before it is too late—before the rats and the rat food head down the rat holes. This will reduce what

I call major delays between reporting and the actual donations being received. At present, reports can be made 20 weeks after the end of the annual reporting period. That means that a donation in January is not required to be reported until June the following year. Surely, in these days of electronic records and up-to-the-second communications, we can do better than this.

Let us look a little more closely at why we need to improve the scrutiny and regulations surrounding political donations and, importantly, election funding—and I hope we go a lot further with this in the future as well. I think we can learn a lot from others, particularly from the Canadian system, and I hope that is where we will be heading into the future. But, anyway, we can deal with this now, and I would like those opposite and those following to say why they disagree with this bill, in terms of the points that we are making in it. Just this year, we heard of questions surrounding the well-known former MP Pauline Hanson—still in the news, for a variety of reasons—and her treatment of funds from the last election, following her ill-fated tilt at the Senate. It is not the first time Ms Hanson has been under speculation for the amount of funds which her political activities and others have generated. While this does not directly relate to a political donation—but more to funding received from the Australian Electoral Commission—it serves to highlight the level of public concern about our system. Ms Hanson was accused of siphoning off more than \$200,000 in taxpayers' money, just through a bid for a seat in parliament. The ability to receive significant and multiple undisclosed donations and then benefit to this extent from the public purse is something we need to be wary of in any respect.

A question mark hanging over the funding of a candidate or party, regardless of the result, reflects badly on every one of us in this House and in our state parliaments around the country. It reinforces why we need to leave no shadow of a doubt that every cent which goes into the electoral system, at either end, is free from any question mark, free from taint. The change will not disadvantage candidates who are making genuine claims for electoral expenditure. Provided a party or candidate has incurred sufficient electoral expenditure and submits their claim, there is no substantial change to the amount of, or time frame for receiving, public funding. And that is the point: it is public funding. Taxpayers of this country pay for this, so it must be treated and administered with the highest of standards.

Closer to the bone for some, particularly those from my own state, will be the continuing questions about the influence of the group known as the Exclusive Brethren. While I would never seek to suggest any

group—religious, business or otherwise—be restricted from making a donation or having its say in an open forum, it must all be above board and leave no room for questions. And questions still surround the actions of this church group and its affiliates—the belief that it was part of a planned campaign to influence the outcome of an election. While an AEC investigation concluded that the activities under scrutiny during the 2004 federal election were made by a third party, and not by the church or its leaders, the suspicion remains with some that it was not all above board. And we are not talking about a few dollars here and there. The figure in question was some \$370,000, which is a significant amount in anybody's language. This money funded a series of pro-Liberal and anti-Green advertising material and pamphlets. Again, I repeat, I am making no claims against this group. I am trying to highlight the fact that an unclear and ambiguous system can lead to confusion. It can leave room for a legitimate donation to become shrouded in mystery and controversy—lost down the rat hole. It is better that we remove any room for such suggestion and clear up the questions that may remain.

Our opponents opposite would say that this bill is about restricting their ability to fundraise. If they are serious about being open and honest, what concerns would they have about openly reporting significant donations to their parties and campaigns? To say that donors to any party could be intimidated if they are disclosed is a furphy and absolute nonsense. Oh, dear; they might find out! Oh, dear; recrimination! Oh, dear, intimidation! I would also note that other participants in this parliament, particularly in the Senate, are more supportive of the proposed reforms. The Greens have been calling for changes for many years, and a fellow Tasmanian, Senator Bob Brown, has been particularly active in relation to donations by groups and their influence on the political process. This is part of an election commitment from the Rudd government. Surely anyone who thinks about this seriously would realise that the opposition from the other side is just a smokescreen.

This is part of an election commitment from the Rudd government. It will form the basis of a broader package of reform of election funding, and I support it and commend it to the House. I will listen with interest to those who follow in this debate to see if they will explain, point by point, why they do not support the reforms in this legislation and why, instead, they dream about some comprehensive legislation that we were supposed to have brought forward to completely reform the system. If you want to talk about it, begin the walk on that journey.