

POLITICAL DONATIONS

Motion

HON ALISON XAMON (North Metropolitan) [1.07 pm]: I move —

- (1) That this house acknowledges the increasing public concern about the role large corporations play in influencing public policy, recognises the urgent need for donations reform at both the state and federal level, and calls on the government to urgently increase the transparency of political funding by —
 - (a) abolishing third party donations;
 - (b) instituting real-time reporting of gifts and donations; and
 - (c) banning foreign donations.
- (2) That this house further calls on the government to work through the Council of Australian Governments' processes to ensure that financial disclosures to both federal and state bodies uniformly reflect the highest standards of transparency.

I moved this motion today because I think the issue of transparency around electoral donations is particularly important and it is very much at the forefront of people's minds as we move into a likely federal election to be called any day. Many of us are familiar with the concern raised by members of the public that parties do not represent average people anymore; instead, parties have allowed themselves to become beholden to what we term "the big end of town". Transparency International, in commenting on the issue of political donations, stated —

Donations to political parties and campaigns are a way for the public to participate in politics. However, donations are also tools used by vested interests—including illicit, private and international interests—to exert undue influence over the agendas of political parties and candidates. This can lead to policy that reflects the narrow interests of donors at the expense of the wider ... interest that parties purport to represent.

I am particularly interested today in unpicking that issue of undue influence. In recent years we have seen some of these concerns come to a head in the eastern states, where a number of governments have introduced a range of measures to address this concern. The sorts of measures implemented in other state jurisdictions include things like banning donations from certain industry sectors. The Greens have a strong position on that. We are particularly concerned about developers, tobacco companies, the gambling industry and the gun lobby. Some states have introduced uniform caps on donations, and something that is very close to real-time reporting, which I will speak further about later, and have severely limited or even entirely banned donations from foreign entities, which I think is a very important reform that needs to be considered in this state. Unfortunately, Western Australia has most certainly not been leading the charge in ensuring that our systems and processes are as transparent as they can be and as immune as they can be from undue influence. There is a genuine need for reform in this space in this state, and there remains a desperate need for reform in the federal space as well.

There is a general perception that the government and particularly the older political parties are held in thrall to the big end of town. It is easy to see why. There is a mismatch between the priorities that we know we are facing locally and globally and the policies that are subsequently pursued. We are consistently seeing long-term concerns shunted aside for the pursuit of short-term profits. For example, we are starting to see very clearly the effects of climate change in Western Australia. We have once again had the hottest summer on record—2.5 degrees Celsius above average across the state—and, as a result, our agencies are starting to respond to this. Our Water Corporation is begging us to save water, overtly due to climate change. Our agriculture department is advising people about what to grow and how to diversify to deal with the impact of climate change. Even the Minister for Health recently announced an inquiry into how the health system will manage the impacts of climate change. We can see, through the actions of government, that we all know climate change is real and that it is being caused by our actions, and yet we are seeing efforts by our environmental agencies to genuinely impact the big polluters being immediately undercut by the government frantically, and with unseemly haste, declaring that it will not make decisions based on Environmental Protection Authority guidelines. We see the announcement, instead, of millions of public dollars being put towards expanding those polluting industries rather than growing the industries that are doing substantially less harm. The global rethink that we need is not occurring.

The High Court of Australia has identified the real risks of corporate donors influencing decision-making based on a reliance on their patronage. The court said that, unlike straight cash-for-votes transactions, such corruption is neither easily detected nor practical to criminalise. It may not be practical to criminalise, but I assure members that Western Australians can sniff out dodgy conduct when they smell it. Anyone who believes that people cannot

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draw a line between large corporate donations and the policies that are subsequently espoused by the major parties is delusional. Legislation and policy is deadly serious business, with massive impacts on people's lives. It is one of the reasons I pay such close attention to what occurs in this place. The feeling around the nation is that the profit-making concerns of large corporate donors are far more to the forefront of government decision-making processes than the real issues of everyday citizens.

I turn to an examination of the current situation. One of the big challenges of our current system is that it is surprisingly easy, unfortunately, to obscure where money is coming from. Part of this is because we are, in large part, reporting under the federal scheme, which has a much higher disclosure floor for donations. To give members an idea of the difference in the disclosure floor, in 2017–18, federally it was \$13 500, as opposed to the state level of \$2 300; and in 2018–19, the federal floor is \$13 800, as opposed to \$2 500 at the state level. State parties must effectively report to the Australian Electoral Commission, and the Western Australian Electoral Commission will accept an AEC form as sufficient, even though it falls very far short of what is desired by Western Australia. There is also a fantastic loophole in the commonwealth law that allows parties to simply not declare donations if they come in multiple chunks that are under the disclosure threshold. We see this in the differences between what the political parties report and what the donors report. For example, in the 2017–18 annual returns, accounting and consulting firms say that they have donated \$131 485 to the WA Liberal and Labor Parties, yet only \$48 488 shows up in the information reported by the WA Labor and Liberal Parties to the AEC. Within that information, even the amounts recorded by the parties and the donors do not match each other. We have one substantial chunk of \$46 061, labelled as a donation by one single corporation, that does not appear in the reporting by the receiving party at all. This very clearly demonstrates that the existing rules simply do not provide anything remotely like the transparency that people are entitled to expect.

There is no requirement to not disclose a smaller amount if parties so wish. Parties could make the choice to be substantially more transparent. The gap between what we know about and the total income of political parties is currently called grey money. A proportion—we do not know how much—of that grey money is paid to parties and associated entities by corporations as cash for access to ministers. I already have before this chamber a bill calling for the banning of these sorts of programs—they are what I refer to as “ministers for sale”—but unless and until that bill is passed, funds from cash-for-access activities should be disclosed. There have been repeated calls for that, particularly from the Greens, but also, I note, from sections of the media. That has not been forthcoming. The public deserves to know who is buying time with their ministers and elected representatives.

I will talk a bit more on the current situation between the commonwealth and the state. It is significant, which is why it has been overtly referred to in the motion before the house. There is a massive gap between the federal and state reporting regimes. An annual report to the commonwealth lodged by 20 October 2018 is publicly available on the first working day in February following year, and the annual report to the WAEC by 30 November is publicly available on the website from the first working day after 28 December. Likewise, gifts to political parties, whether they be for elections or more general purposes, are reported only once a year, and gifts to candidates, whether grouped or ungrouped, are required to be reported 15 weeks after polling day. That is far, far too late for electors, when making their vote, to assess whether they believe that there is a link between the election platforms with which they have been presented and donations. The WA laws are substantially more restrictive in the amounts of money that conveniently cannot be counted. However, there is no requirement for donor disclosure, which is one of the ways that we have been able to unpick where funding is coming from.

I particularly point out the lack of transparency in the operations of the 500 Club as an example. We simply do not know who is donating, so we are unable to find out subsequently who is effectively trying to influence. If we are to have any sorts of caps or limitations on donations, we will need transparency so that people know what on earth is going on. It would be less of a concern if parties disclosed to the Western Australian Electoral Commission standards, rather than simply choosing to follow the Australian Electoral Commission rules. Clearly, there is a desire to circumvent any transparency rules that appear to be simply too strict.

The federal Parliamentary Library has put out a quick guide that summarises the differences in political disclosure laws around the country. I am happy to table this later if members wish, although, of course, they are able to access it quite readily themselves. Some of the key things to note are that, universally, the states have set much, much lower reporting thresholds than the feds and New South Wales and Victoria have imposed donation caps across the board.

New South Wales and Queensland have banned donations from certain industries and, importantly, people who are closely associated with those industries. If we look at what we are able to see about which industries are funnelling money into political parties and associated entities, it makes for interesting reading. We can see that the property development industry, despite being banned from donating in Queensland and New South Wales, is still one of the largest groups providing money across Australia.

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Of the states, only WA, South Australia and Tasmania have not already banned foreign donations. A ban on foreign donations is one of the most common regulatory measures around the world. We know that foreign donations increase the risk of undue influence or loss of self-determination of Australians and, of course, they weaken the ties between the parties that are the recipient of those foreign donations and regular Australians. Despite the federal legislation, which has restricted foreign donations, WA state parties are still allowed to accept foreign donations for the purposes of state elections. We have just seen Pauline Hanson's One Nation officials at a federal level caught, outrageously, making promises to potential foreign donors to campaign on gun control issues in exchange for donations. That was an absolutely disgraceful turn of events. Literally nothing in our laws stops a party from picking a state issue of similar significance and selling out the people of Western Australia for foreign money. We need to change this legislation in Western Australia as soon as possible.

At the very minimum, people should be able to see as close to real-time as possible who is donating money to political campaigns and to political parties. In 2011, the federal Joint Standing Committee on Electoral Matters recommended moving towards contemporaneous disclosure. I hope that this will be picked up here in Western Australia, but it also needs to be picked up at the Council of Australian Governments level. The Schott report reviewed the New South Wales electoral funding and disclosure laws in 2014, and also recommended real-time reporting of donations. Queensland has come the closest to achieving this. It has brought in a system that enables and requires reporting within seven days. Those reports are immediately then made public and this is absolutely, in my opinion, the sort of textbook play that we should be following and need to look at introducing here in this state.

Beyond donations, there are numerous other areas of inconsistency in our political and electoral disclosure laws across the country. It is very complex. Unfortunately, these inconsistencies across jurisdictions are simply enabling loopholes to be created, even though we should all be striving to ensure that we are as transparent as possible. Frankly, the system is a mess. It has very, very little transparency. We can solve some of the issues around the disjointed systems across jurisdictions ourselves. We can ban or cap foreign donations. I personally would be very strongly in support of banning foreign donations in their entirety for all political parties and all associated entities within Western Australia. However, some issues can be resolved only if we are doing it in conjunction with those other jurisdictions. Unfortunately, if there is a desire to work around the disclosures, those differences are facilitating that. That is why I am calling on the government to raise the issue of donations through the COAG process and ensure that it is working towards creating transparency in political financing and restoring the public's faith in people participating within the political realm. Harmonising and tightening political funding disclosure laws is one way to demonstrate that we are acknowledging this real problem and actively working to resolve it. There is an opportunity here for Western Australia to collaborate with the other states and the commonwealth government to really make an effort to implement reform, and this absolutely needs to be prioritised. Reporting time frames as short as a week are already in place in states such as Queensland. We can replicate that working model here within Western Australia and I think that we can make it easy for political parties to report against both the Western Australian and the federal government's standards.

I note that the McGowan government made a range of electoral promises about how it would change our donations laws. I am interested to hear from the minister responsible what progress has been made, if any. Hopefully, the minister might be able to give some indication of which areas are in particular need of being prioritised and whether there will be reform in that space. I am also really interested in hearing from the minister about whether there is an appetite to have those future discussions at the COAG level as well. I think transparency in donations reporting is a critical area in which we should all be taking a very keen interest. I, for one, am constantly discouraged by the malaise that seems to be felt towards all political parties and the lack of faith that the people in this place are working in the best interests of the community as a whole and not simply for vested interests. The reality is the system is set up so we receive donations and I think that we need to firmly limit that. At the very least, full transparency should be at the forefront of a reform process, and I hope that we will see some progress on that very soon.

HON RICK MAZZA (Agricultural) [1.28 pm]: I thank Hon Alison Xamon for bringing this motion to the house. I have a couple of issues with the motion as it stands. One of those issues is in the first part, which refers to the role of large corporations influencing public policy. I think a lot of other organisations besides large corporations influence public policy, and I will come back to that a bit later. The other couple of issues I have are about looking at the federal level. We are talking about Western Australia looking to possibly change the way that we have electoral funding in this state.

I do not know that we need to look at the Council of Australian Governments and try to influence the federal arena. It is up to the feds to make those changes. The federal government has imposed a ban on foreign donations, which I think is a positive step. The threshold of \$13 800 may be a little high, and perhaps the federal government could look at that. However, that is for the federal government and those involved in the federal arena to contemplate.

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I must say that the Greens are not immune to receiving donations.

Hon Alison Xamon: Not at all.

Hon RICK MAZZA: I refer to an article in *The Australian Financial Review* of 1 February 2017 headed “Greens bank \$3.9m in donations including \$600,000 from Graeme Wood”. The article states, in part —

The Greens received more than \$1 million from two big donors last financial year, helping bankroll the party’s campaign for the July 2 federal election.

Wotif founder Graeme Wood donated \$600,000 to the party, the largest contribution to the Greens’ \$3.9 million in donations and other payments in 2015–16.

Mr Wood, who was responsible for the largest single political donation in Australian history before Malcolm Turnbull’s \$1.75 million donation to the Liberal Party last year, also gave \$6000 to the Queensland Labor Party.

Reclusive Queensland mathematician, investor and high-end gambler Duncan Turpie continued his large contributions to the Greens, donating \$500,000 to the party before the July 2 election.

The Gold Coast-based algorithm specialist is a member of the secretive Punters Club gambling group connected with Museum of Old and New Art founder David Walsh.

Mr Turpie, who has long shunned media attention, has donated to a range of progressive and left-wing causes in recent years, including Greens’ branches around Australia, activist group GetUp! and online magazine New Matilda.

Many political parties have been subjected to influence by big donors. It must be very difficult for political parties that have very big donors to not be influenced in some way by those donations. Therefore, we should look at other ways of funding political parties. New South Wales and Victoria have made major changes to the way political parties are funded. We know from the inquiries by the Independent Commission Against Corruption that New South Wales had a lot of issues with property developers, which has led to that state changing the way political parties are funded.

I refer also to an online article entitled “Not-for-profit Law” that was published in July last year. The article is about the Electoral Legislation Amendment Bill that was passed in the Victorian Parliament last year. It states, in part —

The *Electoral Legislation Amendment Bill 2018* (the **VIC Bill**) passed the Victorian Parliament on 26 July 2018, with new laws being phased in from 1 August 2018 by way of the *Electoral Legislation Amendment Act 2018* (Vic).

Under the legislative changes to Victoria’s political donations regime:

- Donations from a donor are capped at \$4,000 over a four-year parliamentary term (both single donations and aggregated donations from the one donor must not exceed the \$4,000 cap), completely eliminating large donations to political parties, associated entities and third-party campaigners.
- Disclosure limit is reduced from \$13,500 to \$1,000 per financial year —

That limit in Victoria of \$13 500 was quite high —

- Donations from foreign corporations and foreign nationals are banned
- Tougher penalties are introduced for failing to comply, including up to 10 years’ imprisonment for breaches
- Party bunting (signage) at polling stations are banned, and —

That is interesting —

- Real-time donations will be introduced that reveals who donates and when.

The disclosure period in Victoria is 28 days.

Yesterday, my colleagues in the Shooters, Fishers and Farmers Party in the Victorian upper house sent me an email to say that what transpired from those negotiations is that an administration amount is paid to each political party, namely \$200 000 for the first member, \$70 000 for the second member, and \$50 000 for the third and subsequent members, to a maximum of 45 members. The Victorian taxpayers are funding a substantial amount of those administration payments—without donations from anywhere else; that is where they are at. The website of the New South Wales Electoral Commission states that for 2019, the payments from its administration fund each quarter were \$89 300 if the party has one endorsed elected member; \$153 000 if the party has two endorsed elected members; \$191 200 if the party has three endorsed elected members; and, if the party has more than three endorsed

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elected members, \$191 200, plus \$30 600 for each additional member up to 22 members. The taxpayers in those two states pay a substantial amount of money to political parties. My understanding is that they cannot use that money for electoral funding. My colleagues in those states have also told me that the auditing process is very stringent. Audits must be conducted quarterly, and the cost may run into tens of thousands of dollars, which is a bit of a negative, especially for smaller parties. That might be a bit of an overkill, but that is how closely political funding in that state is scrutinised. That money cannot be used for electoral campaigning, but there is a system of advance payments for electoral funding on a per-vote basis. Substantial changes have been made in those two states to try to minimise the influence of interest groups on political parties and members of Parliament. However, it comes at a cost. If parties are not receiving donations from corporations or interest groups, or whoever it might be, it will fall back to taxpayers to fund those parties.

Victoria and New South Wales have also put a ban on who is eligible to donate to political parties in their state. New South Wales has banned anonymous donations over the reportable limit of \$1 000; and indirect donations over \$1 000 in value, such as the provision of free equipment or accommodation, or payment of other electoral expenses. Failure to record details of reportable donations or reportable loans is also prohibited. In addition, property developers, tobacco businesses, liquor or gambling businesses, or their close associates, are banned from making donations. New South Wales has specifically, even at that low level, banned those people from making donations to political parties in that state.

If we are serious about changing the way we fund political parties in this state to ensure they cannot be influenced by interest groups, obviously a lot of work will need to be done. We also need to be mindful of the fact that it will fall back to taxpayers to fund those political parties.

I now want to get back to the wording of the motion and move an amendment to the motion.

Amendment to Motion

Hon RICK MAZZA: I move —

To delete “large corporations” and substitute —
interest groups

The PRESIDENT: Members, Hon Rick Mazza has moved an amendment to the motion. The amendment is that the words “large corporations” be deleted and the words “interest groups” be inserted. So the first question is that the words proposed to be deleted be deleted.

HON ALISON XAMON (North Metropolitan) [1.38 pm]: I rise to indicate that the Greens will not be supporting the amendment. Our specific concern is the influence of large profit-making machines on governments of all persuasions. The reality is that we are talking about an environment in which governments are responsible for making the regulations and laws that often determine how these large entities carry out their business. Much ministerial discretion is afforded to the ministers who make these decisions. The Greens hold grave concerns about these corporations. This was never about trying to preclude regular people from being able to participate in the process, although I completely concur with the idea—it is useful—to place caps on individual donations. Indeed, it is Greens policy, recognising that the Greens have been the recipient of very large individual donations. We support the reform of the type that has been described. The influence of large corporations specifically is of particular concern, which is why the motion has been worded in that particular way. This amendment would effectively take away from precisely the point that we are trying to make.

HON STEPHEN DAWSON (Mining and Pastoral — Minister for Environment) [1.40 pm]: The government will not be supporting the amendment.

HON SIMON O'BRIEN (South Metropolitan) [1.40 pm]: The Liberal Party is inclined to support the amendment, even though it does not have a particularly strong view about it. The amendment tends to broaden the application and make the issue more relevant for our times.

HON MARTIN ALDRIDGE (Agricultural) [1.41 pm]: I rise on behalf of the Nationals WA to indicate that we will be supporting the amendment for reasons similar to those of other members who are supporting the amendment. I am not sure that the issue that Hon Alison Xamon describes relates exclusively to large corporations. Indeed, small to medium corporations that make donations could equally be in a position to influence public policy, not to mention trade unions and other third party organisations. From that perspective, we will be supporting the amendment.

HON COLIN TINCKNELL (South West) [1.42 pm]: I bring to the house's attention that One Nation will be supporting the amendment. We would like the amendment to include large corporations and interest groups.

HON AARON STONEHOUSE (South Metropolitan) [1.42 pm]: I am just looking at the amendment to the motion. I am not a fan of the motion to begin with. It is rather misguided and a little silly and naive of how politics functions in the first place, but I will have more to say on that when we debate the substantive motion. If members

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of this place take issue with unscrupulous characters influencing political parties with money, we may as well apply that to all large groups, not specifically corporations. I am not even necessarily sure what is implied by "corporations". I might have missed an important part of the debate while I was away on urgent parliamentary business. Are we talking about businesses or all incorporated bodies? I am not too sure. At least the amendment casts a slightly wider net and applies the principle of restricting evil groups from influencing political parties a little more consistently. On that note, I support the amendment.

Division

Amendment (deletion of words) put and a division taken with the following result —

Ayes (15)

Hon Martin Aldridge	Hon Colin Holt	Hon Robin Scott	Hon Dr Steve Thomas
Hon Jacqui Boydell	Hon Rick Mazza	Hon Tjorn Sibma	Hon Colin Tincknell
Hon Peter Collier	Hon Michael Mischin	Hon Charles Smith	Hon Ken Baston (<i>Teller</i>)
Hon Nick Goiran	Hon Simon O'Brien	Hon Aaron Stonehouse	

Noes (14)

Hon Robin Chapple	Hon Sue Ellery	Hon Martin Pritchard	Hon Alison Xamon
Hon Tim Clifford	Hon Diane Evers	Hon Matthew Swinbourn	Hon Pierre Yang (<i>Teller</i>)
Hon Alanna Clohesy	Hon Laurie Graham	Hon Dr Sally Talbot	
Hon Stephen Dawson	Hon Kyle McGinn	Hon Darren West	

Pairs

Hon Jim Chown	Hon Samantha Rowe
Hon Colin de Grussa	Hon Alannah MacTiernan
Hon Donna Faragher	Hon Adele Farina

Amendment thus passed.

Amendment (insertion of words) put and passed.

Motion, as Amended

HON CHARLES SMITH (East Metropolitan) [1.48 pm]: I rise to make a few short comments on the motion, which is a good motion. The mover of the motion has raised many valid points and I have plenty of sympathy for those points, albeit I will make one or two comments about them.

Members may recall that earlier in the year during non-government business, I spoke about lobbying reform, which is very similar indeed to the motion we are debating today. In that speech, I stated that although lobbying has its uses, it is in desperate need of critical assessment. I encourage members to revisit that speech because it is very relevant to today's discussion. As I said in my speech, as globalisation intensifies, power and capital become increasingly closely related. This modern relationship has slowly but surely transferred power from sovereign states to multinational corporations. That includes lobbying and donations by those corporations. That is the crux of my interest in this motion. That is the central theme of where my party sits in postmodern politics. By that, I mean that we have choices in front of us. We can choose continued globalisation, whereby multinational global corporations move into countries and dictate policy that governments put down to us, or people can believe, like I do and my party does, that governments have to retake control of their own country. It is a real concern to me that multinationals are becoming bigger and more powerful than the government of the country they operate in. The sovereign state should dictate who comes into this country and how much taxation and royalties they pay to the Australian government. If I may, this is where modern nationalism comes in. It is merely an overdue reaction against governments that have imposed economic globalisation upon their citizens at a pace that is entirely inconsistent with the human life span and at the speed that we can adapt to change. By that, I mean the free movement of people, large-scale immigration and the apparent steady dissolution of the nation. They are all imposed upon us by ideologically motivated elites with little to no public consultation. This is the real *raison d'être* of the One Nation party.

Moving on, there are a number of parts to this motion. Firstly, it calls on the government to abolish third party donations. Despite the outrageous "hit job" against the federal party, under which I operate and which, I note, was designed by former ABC senior journalist Peter Charley, One Nation WA absolutely supports the motion to remove foreign interference in our political system. In January last year, the activist group GetUp! attacked the Turnbull government's proposed crackdown on foreign political donations. It stated that the legislation would "destroy the revenue streams of grassroots groups and minor parties" because said changes would economically

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ruin the group. In 2018, the group disclosed the \$106 000 it received in foreign donations for that year. GetUp! is on the federal transparency register as a political campaigner and it spends over \$500 000 on electoral expenditure. Although, to its credit, it does not donate to political parties, I note and understand that it protests and runs ads for or against political parties or individuals. Similarly, last year the Independent Commission Against Corruption raided the New South Wales Labor Party headquarters. Hundreds of thousands of dollars in donations were given by so-called straw donors—that is, middlemen donating money on behalf of another group. In this case, it was the so-called Chinese Friends of Labor. I need not remind honourable members of this house about the Labor government's trips to China and a subsequent \$200 million-plus deal with the Huawei telecommunications company.

One Nation, Western Australians and indeed all Australians, I would think, generally support greater transparency in political donations. I agree with the honourable member who moved the motion that self-interest appears within our political establishment at every possible waking moment. It is conniving and calculating how to squeeze every possible advantage to its position. Access to superannuation funds, jobs for the boys, seats on boards and consultancies, and lobbying are all stitched up while members are in Parliament. But the good news is that confidence can be restored in our politicians. It can be restored by enforcing more robust regulations that are firmly policed. I commend to the government the following solutions, which I shall repeat as per my non-government business: caps on political donations; lower donation disclosure thresholds; real-time reporting of political donations; bans on foreign political donations; and, lastly but not least, a two-year blackout period for public servants joining private operations that stand to benefit from insider knowledge. There is simply no downside to this. This will help restore the public's faith in the integrity of their public institutions, and I commend those solutions once again to the house. The Australian public deserve transparency. They deserve honesty and a government that represents them. In a representative democracy, officials are voted into office to speak for and on behalf of their electorate. It is their job to do their best in their representation and to do what they can to aid the people they represent.

HON STEPHEN DAWSON (Mining and Pastoral — Minister for Environment) [1.55 pm]: It is my pleasure to rise on this motion this afternoon, but what a hypocrite that last speaker is. What an absolute hypocrite! I have *The West Australian* from Wednesday, 27 March, with the front-page article titled "Gun Nation". Why is that? It is because One Nation operatives were in the United States trying to do dodgy deals with the National Rifle Association and were saying they would soften weapons laws in exchange for cash. So how can people who are hypocritical make such comments in this place? Xenophobia was also alive and well today in this chamber, because the Chinese could not give money to people in Western Australia or in Australia, but the Americans, the NRA, can. It shows an element of racism in the member's contribution as well. That is shocking and shameful.

It is disappointing that the motion before us was amended, but we were not supporting it in the first place and we will not be supporting it now, as I understand many other people and many other parties in this chamber will be doing. I appreciate that being a minor party, its members quite often get the opportunity to grandstand, raise a flag and tell everybody that everybody else is bad, and that they are righteous and the only people who should be listened to. But the reality is, and I have said this in a recent contribution, that the Greens, like One Nation, like the Shooters, Fishers and Farmers Party, the Liberal Party and the Nationals WA, are all political parties in this place. There are no old or new political parties. We cannot say, "The two old parties do this stuff", because guess what? The newer parties do the same stuff too. We have only to look at the Australian Electoral Commission and Western Australian Electoral Commission annual returns over a few years to see that donations have gone into different political parties, including the Greens. It shows that the guy from Wotif gave the Greens \$1.6 million. Unions, business people and academics put massive amounts of money into its coffers. And over the last while we have seen in the media, and certainly since the last election, that the Greens got more donations than the National Party, yet its members are sitting there as pious as all hell as though they are righteous and the only people who do the right thing. That is absolutely wrong.

We went to the last election with a clear set of commitments for electoral reform in this place. Madam President, I do not seek to drag you into the debate this afternoon, because obviously that would be unruly, but I acknowledge the fine work of the former shadow Minister for Electoral Affairs when we were in opposition, who worked on the policies that we brought to the election. We have committed to making changes to the Electoral Act, and our commitments include reducing the public threshold disclosure amount from \$250 000 to \$1 000. I look forward to introducing that legislation in the second half of the year. I look forward to the pious members of this place supporting that legislation, because we all know it is the right thing to do. I look forward to that. We will have a great debate.

Several members interjected.

Hon STEPHEN DAWSON: We will have a fantastic debate on that issue.

The PRESIDENT: Order! Members, I am finding it very difficult to listen to the minister. Listen to him quietly, please.

Hon STEPHEN DAWSON: Thanks very much, Madam President. I do not like shouting in this place, but it is hard to make my voice heard over the unruly interjections from some quarters.

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As I said, we are working on amendments that will seek to modernise Western Australia's disclosure system. I have listened to all the contributions so far this afternoon and I am sure that we will have no problem gaining support for those amendments when they come before this house. Whatever systems are developed as a result, these changes need to be not only transparent but also efficient and user-friendly. We are all members of political parties, and our parties will be required to jump, however frequently, through the reporting hoops, as a result of changes to the legislation. We have to be mindful of that.

I think it was Hon Rick Mazza who referred to the significant funding that parties in Victoria now have to get as a result of changes in that state. That is something that we will have to grapple with and be aware of here. I know from Hon Aaron Stonehouse's contribution that he is not a supporter. He thinks it is perverse. He is on the record as saying that it is perverse that the public should be funding political parties. He made those comments when Hon Charles Smith's motion was debated in this place late last year. There are a range of views in this house on this issue, but we have to be mindful that wherever we settle, it needs to be achievable for parties. I heard strongly today that there is not support from certain quarters in this place to fund political parties to do what would be required of them as a result of legislative changes.

As many members have indicated, the motion before us has some merit, but we are not supporting it in total. None of us can be pious in this place. All political parties have sought donations. Hon Simon O'Brien can be pious at various times, but certainly many of us cannot be pious if we are representatives of political parties, because we have all had fundraisers in the past, and we all continue to have fundraisers. Hon Senator Pauline Hanson held a fundraiser in Kings Park when she was last here and charged \$5 000 a head. The Liberal Democrats received money from the tobacco industry. Hon Rick Mazza's Shooters, Fishers and Farmers Party has received money from a range of people. All the political parties have received donations; that is the system that we have in place in Western Australia. Although we support transparency and the need to move with the times, we also have to be mindful of the political system that we have in this state. I do not think we can compare our situation with the ills of days gone past in New South Wales when property developers were giving brown paper bags full of cash and all sorts of things. Hon Charles Smith tried to drag the Labor Party of New South Wales into it, but the Liberal Party in its last term lost many, many members of Parliament as a result of underhandedness and laws being broken.

Hon Simon O'Brien: Which laws were broken?

Hon STEPHEN DAWSON: I am not talking about here; I am talking about New South Wales, and that party losing members—as the opposition did—as a result of laws being broken.

We have come a long way over the last hundred years or so in this state and, thankfully, the laws have changed with the times. It was not too long ago that women could not vote in this state or have a seat in Parliament. Thankfully, those laws have changed. It was not too long ago that Aboriginal people could not vote in this state. It was not really that long ago that people in this state could vote in multiple electorates. There was a plural vote; one person was able to vote in 44 electorates. Thankfully, those laws have changed. As Minister for Electoral Affairs, I am open to changing the laws. We are certainly committed to ensuring that the commitments we made at the last election are carried out, and I am looking forward to the support of members in this place, so that when the legislation eventually comes forward, we can make these changes.

We see differences between state and federal parties in this place. Certainly, we saw it with the contribution from One Nation today, when it said that it vehemently opposes this, yet its federal colleagues are out there trying to get money from the National Rifle Association to do deals to change the laws. Also, we have seen differences between the state Greens and the federal Greens. There was a plan last year to increase transparency in federal Parliament, and federal Greens colleagues spoke against it. There are differences between the various parties in this place. I want to make sure that once we have legislation in this place, it is legislation for the times. It should allow us to continue to do the job that we need to do in representing the Western Australian community, to be transparent, and to be able to report in a more timely fashion. However, I am not supportive of abolishing third party donations. I think we should have a conversation—a dialogue—with the community, but the flip side is that if we ban third party donations to political parties, the state will have to cough up significant amounts of money. In the current climate, that is certainly not something that the government will countenance. We are fully committed to our election commitments and we will bring those forward.

Hon Alison Xamon: What about discussions with COAG?

Hon STEPHEN DAWSON: I am certainly happy to discuss further reforms that need to happen with my colleagues in not only this place but also the commonwealth and, indeed, around the Council of Australian Governments' table. I have an issue with the fact that under the federal legislation, someone can donate up to \$13 500 without having to disclose it. In Western Australia, at the next election in 2021, any donations over \$2 500 will have to be disclosed, unless we change the law. We are hoping that it will be \$1 000. People should be proud to participate in the political process. People should be proud about donating to political parties. We are in here doing the work

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of the people, so people should not be hiding behind laws and saying that they do not have to disclose. We should absolutely be disclosing. We should be doing it more frequently. Although I certainly believe in some of the things that Hon Alison Xamon has moved today, we do not support it all, so we will not be supporting the motion.

HON AARON STONEHOUSE (South Metropolitan) [2.06 pm]: We debated a similar motion put forward by One Nation not long ago, and I put on the record then my views on political donation, so I will not repeat those comments. However, I would like to observe how interesting it is to see Pauline Hanson's One Nation and the Greens in furious agreement.

Hon Simon O'Brien: "Pauline Hanson's Greens"!

Hon Stephen Dawson: Or "Green Nation"!

Hon AARON STONEHOUSE: "Green Nation", perhaps.

Several members interjected.

The PRESIDENT: Order, members!

Hon AARON STONEHOUSE: Indeed, I think if we took Richard Di Natale and Pauline Hanson, put them in a room and did not let them talk about immigration or climate change, we would probably find that they agree on many things. I do not subscribe to the horseshoe theory, but listening to the contributions of One Nation and the Greens today, it certainly seems to hold some merit.

We heard a lot said about foreign donations and foreigners interfering with our democracy, whether they are Chinese or American. It is interesting, depending on who we ask and what side of the political debate they are on, some foreigners are bad while other foreigners are good. Perhaps on one side of politics, donations from Americans are okay but donations from Chinese are bad, whereas another group would say that donations from Chinese are good but donations from Americans are bad. It seems that this kind of xenophobia and the fear of foreigners interfering in our elections spreads across the political divide.

The original motion refers to large corporations, which is interesting. I do not know why we need to distinguish between large and small corporations. Are large corporations more evil than small corporations? Are smaller corporations just a little bit evil and it is the large ones we really need to worry about? Are they the nefarious evil-doing ones? Luckily, we have amended the motion—I do not have an amended version here—to capture other groups. I still will not be supporting it.

Maybe I can summarise the argument to target corporations, I think people are afraid that corporations are sitting around being "corporational" and using their corporate money to do something bad. I do not know what that is exactly, but simply by nature of being a corporation, there is something inherently bad and evil about it. It seems that one that is motivated by profit is evil, whereas one that is not motivated by profit is altruistic. That is how good and bad organisations are determined.

Groups may not donate directly to political parties, but that does not mean that they do not participate in the political process. Organisations such as GetUp! do not make direct donations to political parties, but they make what could be considered as in-kind contributions. They doorknock and lobby and certainly influence elections. They target marginal seats and try to unseat sitting members of Parliament. Even if it is not a direct donation, it is certainly political activity. Why are we so worried about direct political donations, but not concerned about those kinds of activities? In my view, both are fine and part of the political process. I think it is a little naive for members to focus merely on direct financial contributions and ignore all the in-kind contributions that are made throughout the political process.

For the most part, people who are concerned about donations to political parties are misguided. If money really influenced politics in the way they think it does, Prime Minister Ronald McDonald would be running the country. The corporations truly would be running the Parliaments and governments in this country, but that is clearly not the case. If the left's critique of the federal coalition is that it is owned by corporations, how the heck does it ever lose elections? With the almost infinite funds of its supposed corporate overlords, surely it would have every election sewn up. That is clearly not the case. Money is important in politics—corflutes do not print themselves—but it is not the be-all and end-all. Ultimately, members of Parliament and politicians are motivated by the votes of the public. It is the votes that matter! A party can have all the money in the world, but it will not win an election unless it can convince people to get out and vote for it. A politician may have some electoral success with money alone. Clive Palmer is probably a good example of that, but he is an exception to the rule; he is not the rule. If he were the rule, Clive Palmer would be Prime Minister; he is not. Money is not the be-all and end-all of politics.

Actual corruption is bad and we should focus our efforts on stamping out real cases of corruption when it can be found. Merely pointing at donations and saying, "That's bad because reasons", is not sufficient. Real corruption should be found and prosecuted. The laws we already have should be enforced. Transparency is also good. I think

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everyone agrees that donations should be more transparent. Let the electors make up their own minds through more transparency. Particular types of donations do not need to be banned in order to do that.

My final point is that if the alternative to foreign donations, third party donations or large corporate donations is publicly funded political parties, that is horrible. The Victorian model is garbage. Politicians should get their grubby hands away from the taxpayers' purse. Taxpayers do not need to fund their corflutes, DL flyers, letter drops, circulated emails and ads in the paper. Politicians should fund campaigns themselves. They should not expect a Liberal voter to fund Labor Party propaganda, or a Labor voter to fund Liberal Party propaganda. Let these people vote with their wallets and contribute how they like, rather than slugging taxpayers for the ridiculous advertising that some political parties put out. I gave this example last time and I will repeat it now. I am sure that a dyed-in-the-wool Greens supporter would be absolutely horrified to know that their money is going towards Fraser Anning's election campaign. Honestly, I can think of nothing more unconscionable —

Hon Alison Xamon: Than Fraser Anning.

Hon AARON STONEHOUSE: Fraser Anning, perhaps.

I can think of nothing more unconscionable than someone who, with every fibre of their being, disagrees with what someone like Fraser Anning says being forced to fund his election campaign. In the same way, I am sure that a member of the Shooters, Fishers and Farmers Party would be mortified to know that their money was being taken from them and spent on the Animal Justice Party or Socialist Alternative or some other fringe left-wing group. Let the people decide where their money gets spent and do away with this nonsense. I am all for transparency and for prosecuting corruption, but we should get away from the public's money. The public should not be funding politicians' election campaigns.

HON SIMON O'BRIEN (South Metropolitan) [2.14 pm]: I want to make one thing clear right from the outset. Despite what has been alluded to or even stated explicitly in this debate so far today, I want to make it quite clear that the Liberal Party now and always makes it absolutely clear in all its dealings that it does not allow its decisions to be influenced by financial contributions. That is based on my very long experience, including within cabinet. If members want to disbelieve that, they can do so, but I tell them sincerely that that is the case. It has been exhibited in public and in private by successive leaders with whom I have had the privilege to serve. The Labor Party can make the same assertion, if it wishes. I suspect that most of its members who are in policymaking positions also understand that same basic precept. They are not bought and sold by whoever has a wad of cash. That is the first thing members need to understand about how things work in Australia, in Western Australia in particular. I am sure that it is possible to point out examples of the contrary happening in certain quarters in the past, but that has not been my experience. I want to make that clear right at the outset to all the conspiracy theorists backing this motion.

The Liberal members will not be supporting this motion for a number of very good reasons. I am sure members will appreciate it if I were to enumerate a number of them. I note that Hon Alison Xamon has asked us as a house to acknowledge certain things that are highly debatable, and not matters of fact. Is there an increasing public concern about the role large corporations play in influencing public policy, or has there always been that nagging conspiracy theory about the place? Is it increasing? I do not know that it is any different from what it may have been in the past. Again, it would be something of a leap of faith for the house to adopt that view by agreeing with this motion. Do we call on the government to urgently increase the transparency of political funding by several means? I will go through those in just a moment. The second part of the motion is —

That the house further calls on the government to work through the Council of Australian Governments' processes to ensure that financial disclosures to both federal and state bodies uniformly reflect the highest standards of transparency.

All members know that I hold Hon Alison Xamon, the mover of this motion, in a great sense of regard and fondness. That only grows when I contemplate the wording of this motion. What sweet innocence she exhibits on this occasion! It is positively endearing. She has come in here in some sort of gesture of hopeful optimism and asked us to join in having faith in calling on that government over there to engage in a process involving the highest standards of transparency. It is absolutely delicious, is it not? Sadly, I shall have to have a cup of tea with the honourable member outside and shatter a few illusions for her. Those are some of the reasons that we will not be supporting this motion. I will come to a few more. In doing so, I will look at the major items the member has cited in the motion and ask a few questions that clearly need clarification before the house can collectively accept the premise of these dot points as fact, because we do not accept that. I am sure members will come to agree, along with their Pauline Hanson's One Nation colleagues, that we have not demonstrated that these things are matters that need fixing, much less urgent fixing.

In talking about abolishing third party donations, one is tempted to ask: what really is a third party donation? When does it move from being a second party donation to the party of the first part, to a third party donation to the party

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of the first part, perhaps going through a second party to get there? What really is a third party donation? I do not think it is beyond anyone's imagination here to contemplate the thought that the most insidious of third party donations and exercises in deliberately attempting, through payment, to exercise control over policy are those that do not come to notice, and will not come to notice. I am sure that in Australia and Western Australia they are the rarest of occasions. I have already indicated my basic faith in members of the government, like the Minister for Environment. My faith is not only in their integrity that they would not accept cash and allow that to influence policy, but also that they would not be so stupid as to accept cash in exchange for changing policy. For whatever motive—being as pure as the driven snow, or as pure as the driven slush—the fact is that that is not something that happens overtly. No system of disclosure will uncover that.

It always disturbs me—well, it gives me something to grizzle about—that lefties, as I am wont to call them—with great affection, of course—always want to make it harder for everybody to go about their business by introducing more and more laws, more restrictions, more statistical returns and more reporting disclosures. They do not seem to understand that we can have all the laws, all the rules, all the regulations and disclosure requirements, and more and more of it, and all it does is inconvenience people who are trying to go about their regular business and dissuade them from participating in whatever their business might be—and specifically, in this case, dissuade them from participating in the political processes—while at the same time failing to understand that no matter how much inconvenience and how many possible hurdles we may put before the Labor Party's general secretary or the Liberal Party's general secretary, or whatever we call him these days —

Hon Matthew Swinbourn: The Liberal Democrats' general secretary.

Hon SIMON O'BRIEN: It is the Liberal Democrats' general secretary as part of the huge secretariat that I am sure it has running somewhere. All of the volunteers, campaign helpers and honorary secretaries of branches of political parties are all trying to facilitate people participating in the process. Despite all the inconvenience that might be put in their way, the real crooks will still be at it. Fortunately, in our system, they are a very small part of the political landscape. That has been my observation and that of most members here over many, many years. If someone is improperly giving cash to parties that have members of Parliament, do members seriously think they are going to say, "While we are at it, we had better submit a return in triplicate admitting what we are doing"? Of course they are not. This is more bureaucracy and red tape, or green tape in this case, for no good reason.

What are third party donations? Heavens! We just had a division in the course of this debate on whether we are talking about the role of large corporations, or should that be—what was the thing we voted on?

Hon Rick Mazza: Interest groups.

Hon SIMON O'BRIEN: It was on interest groups. Apparently that is worth dividing on. I thought we were meant to be debating improper influences wherever they come from. It raises the question of what a genuine third party is. Does anyone going along to support the notorious leaders' forum of the day doubt that they are filling the Labor Party coffers as they rub shoulders with Labor Party luminaries over a meal? Of course not. When we see those functions take place, we know what is going on. When we see the returns from a leaders' forum published in due course and the big sums of money spent, it does not surprise anybody. Does anyone not know that The 500 Club in this state supports what it calls the coalition parties—the Liberals and the Nationals? Of course not; it is quite open. But do we really need the names and addresses of the members or need to know the donors to that body? Do we need to know where their kids go to school? I would not have thought so. I do not see how that advances anything.

There is nothing wrong with a party that is in government, or an opposition party that aspires to be in government—all governments come and go—associating with big corporations, which is a pet peeve of the member opposite. What is wrong with members of Parliament from any side going along as a group or individually, depending on what they are spokespersons for, to a briefing from a major player in the sector for which they have responsibility? Nothing. It might be the disability sector. A member can visit those involved in that sector and learn things. They should engage with members—they will engage with them—and, if they do it right, and if in the eyes of members their arguments have merit, they will influence members and their party's policy as they approach the next round of elections, or whatever the next occasion might be. That is how it should be.

Many donations to the Liberal Party come from sources that want a Liberal government because they believe that a Liberal government promotes the environment that helps not only them, but also the community, to thrive. A whole lot of donations go to the Labor Party. Those donors want to see the Labor Party in power because they believe that would result in a society or a regime that is more conducive to what they would like. What is wrong with that? People who have contributed to any campaign I have been involved in over the years do so because they identify with me and what I stand for and they want to see me in Parliament. I am sure Hon Martin Pritchard is about to interject that that is a splendid investment—and he would be right. There is nothing wrong with that, but

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they do not do it to say, "Get in there so you can sling a few dollars our way." That is not how it works, and neither should it. If anybody is elected on that basis, they need to be found out. Once in a blue moon we see the odd participant in politics found out. However, as we all know, they are an extreme minority. No disclosure regime will find them out. People will not admit that they are doing the wrong thing.

Members talk about instituting real-time reporting of gifts and donations. I am not sure what "real-time" means. Perhaps it is a way to discourage people from participating in the process. Let us say that a big group such as the Construction, Forestry, Maritime, Mining and Energy Union—I do not know whether it is talking to the Premier at the moment—makes a big, fat donation to the Labor Party. Are they worried about that being made public? No, but some private citizens, perhaps in the building game, may prefer not to have it known that they are supporting a Liberal candidate in a particular area. Why does everyone need to know, in light of all the other things I have had to say? Is it about creating offences, so that those people can be harassed if the reporting does not take place in whatever the definition of real time is? Those are the things that concern us, and should concern the house. As for finding ways around it, do we really need to know who is supporting someone in an election campaign, with real-time donation reporting? Why not just hang on and donate at the last minute? The information is not much use then, is it?

Hon Alison Xamon: The donation is not much use in the election campaign either.

Hon SIMON O'BRIEN: No, indeed it is not, but it would still be reported in real time. There are ways around all these things, but they inconvenience only those who are acting in good faith and trying to participate, not those whose insidious activities one might seek to curtail.

The motion also wants us to have a look at the transparency of political funding by banning foreign donations. This is not about increasing transparency; Hon Alison Xamon just decided she wanted the house to go straightaway to banning foreign donations. What are foreign donations? How are they defined? Do the Greens WA, "Pauline Hanson's Greens" or otherwise, have any dual citizens amongst their number?

Hon Alison Xamon: I am not a dual citizen.

Hon SIMON O'BRIEN: I think they may have the odd one or two, and that is quite permissible.

Hon Alison Xamon: We do not.

Hon SIMON O'BRIEN: They do not? Have they renounced their dual citizenship? If someone in this house who has dual citizenship—I believe a number are at least entitled to it—or was born overseas, contributes to their political party, is that a foreign donation in any way, shape or form? I would not have thought it was. What if their parents or their family offshore, to whom they are still very close, say, "Great, you're running for Parliament; we're so proud of you; here's \$10 000"? Is that a foreign donation? Where do we draw the line? Let us say some hypothetical squillionaire based in the United States wants to set up a foundation—this is getting into the realm of third parties again—and wants to donate cash or in kind to certain causes? Is that the kind of thing the Greens want to ban? What is stopping them from participating? If what the Greens would call a big, evil multinational corporation that makes a lot of money digging up bits of rock and shipping them overseas invests millions trying to unseat a sitting member, is that a foreign donation? They are not donating it to anybody, but, by gee, they are involved in the political process, are they not, with some very considerable effect?

Because of that lack of precision, I do not think this motion even knows what its target is, and what exactly it is asking the government to do, as it pursues the highest standards of transparency. Even if we could work all that out, and be satisfied, members on this side do not have any faith that the government the Greens are appealing to will necessarily deliver what in our definition would be the highest standards of transparency. With every bit of respect and mark of affection that I can possibly muster up on behalf of Her Majesty's loyal opposition to the mover, I have to say that unfortunately we will not be supporting the motion on this occasion.

HON MARTIN ALDRIDGE (Agricultural) [2.34 pm]: I rise on behalf of the National Party to make a contribution to the debate on this motion. Before outlining the National Party's position, I want to talk about the way we undertake reforms to our electoral legislation in Western Australia. Obviously, there have been a number of debates in this chamber over time, and in fact a number of bills. I acknowledge and thank Hon Alison Xamon for giving us the opportunity today to discuss the matters before us, and I also recognise that she has a bill before the Parliament dealing with two matters—one, as I understand it, to do with financial disclosure and another to do with voting ticket reform.

In the last Parliament, I introduced a bill to amend the Electoral Act 1907 and the Constitution Acts Amendment Act 1899 that passed this chamber, but was then blocked from introduction into the Assembly. I do not want to reflect on that specifically, but one of the issues that was raised at that time was the process by which we engage in reforming legislation such as the Electoral Act in Western Australia, which affects each and every one of us in this chamber, and every voter in our electorates. I do not think it is acceptable that we leave it to the government of the day to do that in isolation from the other parties and members and the constituencies that they represent.

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Interestingly, that view was expressed during the consideration of my bill, and I think there was raging agreement, or certainly interest, in establishing a joint standing committee on electoral matters. It was also the view of the Community Development and Justice Standing Committee of the other place, in its second report, in February 2018, on the 2017 WA state election. Recommendation 1 states —

That a joint standing committee into electoral matters is established to inquire into, consider, and report to Parliament on any proposal, matter, or thing concerned with the:

- Conduct of parliamentary elections and referendums in Western Australia.
- Conduct of elections under the *Local Government Act 1995*.
- Administration of, or practices associated with, the *Electoral Act 1907* and any other law relating to electoral matters.

That is a position that I support. The government's response was not really a response. It stated that it was a matter for the Legislative Assembly, not the government. I note that the government has significant control over the Legislative Assembly and, as far as I am aware, we have not received from the Legislative Assembly a message asking for the formation of a joint standing committee on electoral matters, consistent with the bipartisan Community Development and Justice Standing Committee recommendation. That would certainly advance matters such as this in a bipartisan way in this state, and, hopefully, the new Minister for Electoral Affairs will turn his mind to it, although he has been in the role for only a few months.

A number of matters in the motion before the house have merit, and an equal number of matters, if not more, concern me. I want to talk about some of those now. The first matter I wanted to talk about has now been resolved through an amendment and has been canvassed by subsequent speakers. It concerned one group, being large corporations, which was the original intention of the motion moved by Hon Alison Xamon. I think there is a greater cohort of donors who potentially would fall into a category of public concern for political donations. I do not think it is only large corporations, although it could be argued that large corporations have a greater capacity. In saying that, what about smaller corporations, perhaps property developers? New South Wales has banned donations from property developers. I do not think a corporation necessarily needs to be large to engage in using cash to influence public policy. Across jurisdictions, major reforms to funding and disclosure happen in the wake of a crisis. I do not think we have had that crisis in Western Australia in recent times, but it does not mean that we should not turn our mind to these matters to ensure that that crisis does not eventuate.

I will speak to some of the specific clauses of the motion, and certainly the question of third party donations. Hon Alison Xamon will attest that I rang her on the way to Parliament on Tuesday morning and said, "What is a third party donation?" It is not clear to me still whether we are talking about somebody who is donating to a third party or a third party donating to a political candidate or a political party. That, to me, is unclear. Certainly, one of the issues that the standing committee in the other house found that should be considered by the government was whether expenditure caps should be applied to third parties during elections. Should we allow third parties who do not run candidates and do not seek election to influence elections in a significant way? Should there be barriers or ways to curtail the influence third parties can have on elections?

Interestingly, if members look at the election return of the 2017 general election, there is a section called "Other Persons". This is what I would consider to be third parties. In fact, I think the Australian Electoral Commission actually calls them third parties, but the election return for our jurisdiction classifies them as other persons. It includes a range of organisations. A lot of them are unions. This includes the Chamber of Commerce and Industry of Western Australia and GetUp. Even unions from New South Wales are listed as other persons in our 2017 general election return. The RAC of Western Australia spent \$361 000, which certainly was a figure that surprised me when I reflected on these figures ahead of the debate. UnionsWA spent \$306 000. Interestingly, some unions in Western Australia claim to not be affiliated with the Labor Party or certainly do not contribute to election campaigns, but they fund UnionsWA, which then contributes to the Labor Party or campaigns to support the Labor Party. Some people in other areas might call that money laundering, but I think it is a bit cheeky to claim that they do not support the Labor Party or the election of Labor candidates when they act in that way.

Other third parties in the election return include the World Wide Fund for Nature. As I said, there is a whole realm of other persons. Probably about 75 per cent of this list of other persons are unions in Western Australia or, as I said, in other states. Of note, and probably a Western Australia first, the Chamber of Minerals and Energy of Western Australia recorded gifts of \$4.36 million and a total electoral expenditure of \$4.36 million. It is interesting to draw some parallels. That is by a long stretch the largest electoral expenditure of a third party in Western Australia. The Australian Nursing Federation was behind the Chamber of Minerals and Energy with an electoral expenditure of \$844 000. Compare that with the electoral expenditure of the Liberal Party, which was \$4.9 million. The Labor Party spent \$4.6 million. The Nationals WA spent \$682 000. It is fair to say that during

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the 2017 general election, the Chamber of Minerals and Energy spent the order of money that the Liberal Party and the Labor Party spent on their entire campaigns statewide, despite the fact that the Chamber of Minerals and Energy did not run one candidate for election to the Legislative Assembly or the Legislative Council. Clearly, I would think that this would be of concern. It is certainly of concern to me, but it would not fall within the definition, I would think, of a large corporation. The Chamber of Minerals and Energy is not a corporation at all; it is an industry organisation that represents the interests of its industry. It would be interesting to hear whether members have concerns on whether that type of activity should be curtailed. One of the recommendations of the Community Development and Justice Standing Committee was that the government ought to consider whether electoral expenditure of third parties in Western Australia should have some limit. Obviously, there is a balance in that argument. These third parties are obviously campaigning in the best interests of whatever their causes are or whatever their membership is, whether it be the RAC or the Local Government Association or the Chamber of Minerals and Energy, and should it reach a point at which they can simply outspend everyone else in the field to achieve the end that they desire? I have the view that that requires greater examination by government, and I agree with the standing committee of the other house in that respect.

With respect to the Chamber of Minerals and Energy, before I move onto the other planks, publicly in the lead-up to the election day, the then CEO Reg Howard-Smith said that it was not going to spend any more than \$2 million. I am pretty sure that at that point in time Mr Howard-Smith did not realise that his organisation had to publicly disclose after the election the money it spent on certain types of expenditure during the election period; I am sure of that, because when the time for disclosure came and passed, the Chamber of Minerals and Energy did not submit the disclosure. What transpired was that it was in breach of the Electoral Act, and this was brought to the attention of the Electoral Commissioner. It subsequently disclosed that it spent some \$4.36 million during the election period.

Hon Alison Xamon: Did they get fined?

Hon MARTIN ALDRIDGE: I will come to that.

As I understand it—I am happy to stand corrected—the way in which we record electoral expenditure in Western Australia is that it relates to expenditure during the election period, which is from the issue of the writs to polling day. Who knows what it spent outside that time in the 12 months or more in the lead-up to the election day.

The fines issue was canvassed by the standing committee of the other house. The fine for non-disclosure is \$1 500. Obviously, if a union has just spent \$4.36 million on a campaign to make sure that its members do not pay more royalties to the people of Western Australia, that is money well spent; it would pay the fine. But I do not think the Electoral Commissioner even fined it the \$1 500. Now the people of Western Australia do not have flowing into the state's coffers not only the increase of the special-lease rental, but also the 1 500 bucks that the Chamber of Minerals and Energy ought to have paid for breaching the Electoral Act of Western Australia. One of the recommendations of the standing committee is that those fines needed to be reviewed to make sure that they actually present some deterrence from not complying with the electoral laws of Western Australia.

I have real concern about paragraph (1)(b) of the motion “instituting ‘real-time’ reporting”. I think in a pure world, why would there not be real-time reporting of gifts and donations? I do not think it is practical in a real-world scenario. I remember closing debate on a government bill in the last Parliament that was going to force local government councils to disclose within 10 days gifts and donations they received. It was not supported by the National Party. It was ultimately supported by the Council. It does not work. It captures good people in the process. We do not expect that of ourselves. Look at our annual returns. We could receive a donation on 1 July, and if my memory serves me well, we do not have to disclose it until sometime at the end of September—that is, 15 months after we receive a donation or gift or some support as a member of Parliament. If we talk about improving disclosure, maybe we should start with ourselves. That was the speech that I made when that local government bill was considered during the last Parliament. Interestingly, we now have a new local government bill in the other house that seeks to undo, to some extent, that 10-day rule because it does not work. Certainly in the context of local government councils running for election to state Parliament, it is just a complete nightmare and a mess and needs to be further worked upon.

I do not think that foreign donations should be considered as the exclusive issue with relation to political donations. I notice that the commonwealth has acted with respect to federal donations. I think that where there is a will, there will always be a way. Certainly, I suspect that a foreign actor, whether an actor of another country or indeed just a private citizen of another country, will find a way of circumventing those commonwealth laws. That may be as simple as creating not even a publicly listed but a private company in Australia for the purpose of running some kind of business activity, but, ultimately, to influence some kind of political activity in Australia. I do not think that the foreign donation laws at the commonwealth level are foolproof, but I recognise and respect that the community sentiment is they would not like to see foreign donations influencing the state affairs of Western Australia. I would like to see how the government intends to act on foreign donations. I do not know whether it was a Labor Party election commitment. I think its commitment related to a disclosure threshold and

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reporting time frames. I would have thought that the Minister for Electoral Affairs would be able to knock that bill together in about 15 minutes. His predecessor had two years and did not do anything, so maybe we will give him a few more months and see how he performs before we judge him.

The Western Australian Electoral Commission produces a report after each election. The “2017 State General Election: Election Report” has a number of recommendations right at the back. I do not know whether members have read it, but I think it might be worth members reflecting on that report. A lot of it is about the statistics of how the commission performed at the election, how many people ran, how many votes were cast, voter turnout and those kinds of things. I do not think we need key recommendations right at the back of a report, because not many people get to the back of a report, but right at the back of the report, the first recommendation of the Electoral Commission reads —

That a comprehensive review of the Electoral Act be commenced at the earliest opportunity.

I am not sure whether the government has responded to this report, but I keep hearing the message from the government that it is willing to talk to anyone who wants to talk about electoral reform. With respect to the government, I do not think that is the right way of approaching a comprehensive review of the Electoral Act of Western Australia, which was recommendation 1 of the Electoral Commissioner. The report continues and recommendation 6 refers to the disclosure requirements. This has been canvassed already today. Recommendation 6 reads —

That all registered political parties and associated entities should submit disclosure returns under a single set of rules.

Obviously, that goes to the issue that was outlined by Hon Alison Xamon, which is that a political party registered under the state and commonwealth Electoral Acts can submit its commonwealth election return as its state return with the respective disclosure threshold. As members have mentioned, the federal disclosure threshold is \$13 800 and at the state level it is \$2 500. I understand that the government’s commitment is to reduce that to \$1 000.

I will conclude in the next couple of minutes. It is good to have a conversation about these issues when we are not in the wake of a crisis, such as a Corruption and Crime Commission report that finds people wanting. I think it is important to have a robust democracy that is based on strong rules that apply to everybody. In that context, I do not rule out having a conversation about whether we are to significantly curtail donations and the way in which people donate to political parties. For the greater good of the people of Western Australia, we have to address the issue of how political parties operate without those funds. Do people believe that political parties should not exist? I do not think that is the case. We need to have a mature, bipartisan conversation about significantly curtailing donations, whether to political parties or others, in the context of many other issues. That is why I come back to where I started: a joint standing committee on electoral matters would do the state and the Parliament of Western Australia a great deal of service.

The ACTING PRESIDENT (Hon Matthew Swinbourn): Hon Robin Chapple, before you commence, I remind you that when five minutes of the debate remains, I will interrupt you so that the mover has the opportunity to reply.

HON ROBIN CHAPPLE (Mining and Pastoral) [2.59 pm]: Certainly. I intend to be quite brief. I want to touch on a few points. Firstly, I want to say that I respect all members in this chamber as very honourable people. Unfortunately, out there in public land, their honour has diminished from 70 per cent 15 years ago to 37 per cent today. A large percentage of that is due to the perception of the aspects of undue influence by corporations. That is reflected in a recent Social Research Institute’s Ipsos poll.

I am very interested in the amendment because it allows me to identify some of the influence that industry applies indirectly to this chamber and governments. We will come to that in a second. Let us come back to Hon Simon O’Brien when he talked about a particular political party that gets a donation from, say, the union movement, industry or whatever, that is not tied. Therefore, I ask: why has the multimillion-dollar big corporate industry given the coalition more than \$80 million in corporate money since 2012? Why did the Labor Party receive almost \$60 million of corporate money since 2012? In the case of the coalition, \$9 million was from energy and resource companies and in the case of the Labor Party, that was almost \$4 million. Corporations donate to both sides of the political spectrum with the view that somehow or other because they have been nice to us, we will be nice to them into the future. I am not saying that that occurs, but the public perception is that that occurs. We also have to remember that some of these corporations do not pay any tax because they have managed to worm their way out of it and shift their money overseas. I do not mean Chinese corporations; I mean American ones.

I have mentioned this before and I will touch on it briefly again. We have been duded over the time that we have had the petroleum and mining industry in this country, because we do not really have a sovereign wealth fund. We have \$300 million and, as we know, Norway has now just ticked over a trillion dollars in its future fund. It recently did something quite interesting. It decided that although it invested a trillion dollars in Apple and a number of corporations, it would not invest any further in major corporations. It has almost come full circle. A government

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is saying that it will not invest in certain corporations. Certainly, I do not think those industries are going to provide any donations to the Norwegian government.

I agreed with a lot of what Hon Charles Smith had to say. There was a slight tenet about foreign donations that maybe I did not necessarily go fully with, but a lot of what Hon Charles Smith had to say was great. I want to touch on this idea that popped and undue influence was obliquely talked about. I think GetUp! was mentioned. We also have 350.org. I refer to an article recently published in *The Sydney Morning Herald* of 9 March 2019, which states —

It's no surprise, then, that investors are increasingly questioning the wisdom of betting on oil and gas. A divestment campaign started by activist group 350.org in 2012 has already persuaded funds holding \$8 trillion to back away from fossil fuels, according to its website.

One could argue that 350.org is certainly a significant influence group but then we have to look at some adverts that I think will come home very much to the National Party when I talk about this advert. The Chamber of Minerals and Energy of Western Australia, which I think is an influence group, put an advert in *The Weekend West* of Saturday, 25 February 2017. Would we call it a lobby group or a representative body of the people who fund it? The advert states, "Who'll pay the WA Nationals' \$3 Billion Mining Tax?". That is another lobbying process. The CME put out a three-page advert against the resource rent tax. The Gold Royalties Response Group and BHP Billiton also put out adverts about the resource rent tax. These adverts were designed to try to influence government. These are the same people who donate extensively to both major political parties.

It gets really peculiar. It is a really odd relationship. The major corporations are donating heavily to both major political parties, but at the same time they are almost doing their bidding at another level. That sort of crossover of influence has led to general members of the community having a concern about the political status of politicians. I will leave it at that, because my colleague Hon Tim Clifford also wishes to make a contribution.

HON TIM CLIFFORD (East Metropolitan) [3.00 pm]: I would like to reflect on what has been said in the chamber today. I fully support the original wording of the motion as moved by Hon Alison Xamon, and I oppose the amendment—sorry, Hon Rick Mazza.

On the weekend, I went to Mundaring to the Save Perth Hills rally against the proposed North Stoneville development. There is a lot of concern about that development. Over 1 000 people were at that rally, from all political persuasions. One of the common underlying themes of that protest was donations and the influence of Satterley homes over the political processes of this development. That is just one of many rallies, community group meetings, town hall meetings and special electors' meetings that I have attended. We can feel the sentiment from every community member when they get up in front of the crowd and talk about their concerns. There is deep discontent within the community about the relationship between government and big business and developers and their influence on policy makers. We need to act quickly. I hope to see some level of reform from government in the future.

HON ALISON XAMON (North Metropolitan) [3.02 pm] — in reply: I am very glad to have the opportunity to reply. I want to pick up on a couple of things. A number of the contributors to the debate raised the issue of why we want to talk with the federal government about this matter. As I outlined in my original contribution, the problem is that because of the different threshold disclosure levels and rules that apply, people are effectively able to pick their jurisdiction to avoid any sort of transparency. The clear answer to the question of why we want to have discussions at the state level with the federal government and our state counterparts is precisely because we want to remove those inconsistencies across jurisdictions. That seems fairly self-evident. I will not touch on the concerns that were raised by Hon Simon O'Brien about the capacity of the current government to undertake that in a way that would ensure transparency. Nevertheless, that is a very important discussion to have. I am glad the Minister for Environment has given an indication that there is a preparedness to have those discussions. I will be following that up, and I hope we will be able to report back favourably about the attempts to have those discussions.

Members, I point out that under our current system, not everyone who has an interest in the decisions of government is able to donate. I will spell this out. I am focused particularly on corporations for a reason. Corporations have a lot of money, and they are very interested in the environment that is created by government to enable them to undertake their business. However, that is not the case for many other groups. As members would know, I have a deep interest in the non-government organisation sector, particularly those organisations involved with mental health, suicide prevention, disability, child protection and the community legal sector. These organisations are dealing with often the most vulnerable people in our community who need to have a voice and whose lives can be directly adversely affected by the decisions of government, yet the organisations that represent those groups are prohibited by law, particularly if they have charitable status, from being able to donate to our political system. Therefore, inbuilt within our system is a disproportionate level of access to be able to influence what happens at

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our elections. That is already there, members. A corporation that is seeking to make a profit can go hell for leather. However, an organisation that has no money to start with, but in any event is legally prohibited from being able to donate, has no voice within that political process. Therefore, when people talk about trying to create an even playing field, I will point out that we do not have that now. An entire section of our community is prohibited by law from being able to have their voice heard when it comes to elections. What a very different landscape it would be if the most vulnerable people in our community were able to have the same access as corporations that have so much money.

I want to mention a couple of other things. The question was asked around the issue of transparency: do we really need to know who our donors are? The answer is: yes, of course. I think the average Australian expects that. People want to know who is donating to our political parties. People can know who donates to the Greens, because it is all spelt out. People have already talked about it. People are able to talk about it because it is transparent. People know exactly who is donating to the Greens. Real-time donations are a way of ensuring that people have an idea about donations before elections. The question was asked: what happens if someone donates the day before election day? The answer is: that money clearly would not be of much help to the election, would it? The reality is that if we had the same rule that applies under the Victorian model—namely, 28 days—people at the polling booth would have some idea about who has donated to the political parties that are on the ballot paper in front of them. The issue was raised that people may be able to circumvent the laws around foreign donations by making third party donations. That is all the more reason to get smarter about how we do this. I do not accept that simply because something is hard to do, we should not bother.

Finally, I want to make some comments about the issue of corruption. Of course people who inherently set out to corrupt the system will not go through this process. However, there is a fundamental difference between people who overtly engage in corrupt behaviour and ensuring the system is transparent so that we know what is going on.

Division

Question put and a division taken, the Acting President (Hon Matthew Swinbourn) casting his vote with the noes, with the following result —

Ayes (7)

Hon Robin Chapple
Hon Tim Clifford

Hon Diane Evers
Hon Robin Scott

Hon Colin Tincknell
Hon Alison Xamon

Hon Charles Smith (*Teller*)

Noes (26)

Hon Martin Aldridge
Hon Ken Baston
Hon Jacqui Boydell
Hon Jim Chown
Hon Alanna Clohesy
Hon Peter Collier
Hon Stephen Dawson

Hon Sue Ellery
Hon Donna Faragher
Hon Adele Farina
Hon Nick Goiran
Hon Laurie Graham
Hon Colin Holt
Hon Alannah MacTiernan

Hon Rick Mazza
Hon Kyle McGinn
Hon Michael Mischin
Hon Simon O'Brien
Hon Martin Pritchard
Hon Tjorn Sibma
Hon Aaron Stonehouse

Hon Matthew Swinbourn
Hon Dr Sally Talbot
Hon Dr Steve Thomas
Hon Darren West
Hon Pierre Yang (*Teller*)

Question (motion, as amended) thus negatived.