

## POLITICAL DONATIONS AND LOBBYING

### *Motion*

**HON CHARLES SMITH (East Metropolitan)** [10.13 am] — without notice: I move —

That lobbying and political donations influence policy decisions made by political parties and, in the interest of good, transparent and democratic government, Western Australia's political donations and lobbying regime be reformed to include —

- (a) caps on donations;
- (b) lower disclosure thresholds;
- (c) real-time reporting;
- (d) bans on foreign donations; and
- (e) a two-year blackout period for public servants joining private operations that stand to benefit from insider knowledge.

Politicians around the world are increasingly seen as dishonest, sleazy and self-interested, and rightly so. This was recently demonstrated in the Darling Range by-election, which saw a significant vote of around 30 to 35 per cent for minor parties. Voters are turning away from the major parties in droves. Why is this? It is because the major parties are perceived as lacking integrity in what they do. In Western Australia, as in the whole nation, there is an urgent need to reform how lobbying is conducted and how donations are made to political parties. This motion is a call for that urgent reform. The motion is aimed not at the role played by lobbyists, but at the role played by some private interests in influencing government decisions. I still believe that lobbying can improve government decisions by providing valuable insights and data, although it is indeed an area in desperate need of further critical assessment.

Corporations donate to politicians and political parties because of the access that it brings. All parties, to a greater or lesser extent, engage in this form of fundraising. Every February, the Australian Electoral Commission releases data on political donations for the previous financial year. This data routinely shows that among the biggest corporate political donors are mining, infrastructure and defence companies and groups. Coincidentally, these entities have the most to gain from government contracts and the most to lose from increased regulation or taxation. Political donations reform was a key WA Labor election promise. During the 2017 state election, the Labor Party promised to reform donation laws, which it described as archaic. It also promised to increase transparency and prevent influence on political decision-making. Unfortunately, this has simply not happened. The opacity and lax standards demonstrated by this government do not promote trust. The interests of the community are at risk when negotiations are carried out behind closed doors, yet when the media, members of the public or fellow parliamentarians seek further information, even under freedom of information requests, the government blocks them.

Unpoliced lobbying is a real issue in Western Australian politics. I understand that in Canberra, it is now the second-biggest industry in town. Only a few short years ago, Clive Palmer won the interest of a number voters for his policies on lobbying reform. Donald Trump famously brought the problem to the attention of the American public and the world with his statement promising to drain the swamp. Western Australia also has an overflowing swamp that is ripe to have its plug pulled. The Guardian Australia recently revealed —

An exhaustive analysis of the backgrounds of 483 registered lobbyists has revealed that more than half were previously inside government, the bureaucracy or party organisations. One-quarter have worked inside the offices of ministers or backbenchers.

I want to note a few examples in Western Australia. I will not mention people's names. There are people who have previously worked for government departments. The communications director in the office of the Premier between 2005 and 2008 went across to work for the Australian Petroleum Production and Exploration Association—the perpetual oil and gas lobbying organisation—and is now back working for the government. Another fellow worked as a senior policy adviser to the Minister for the Environment and Heritage in 2001 and 2002 and then went across to work for APPEA as well. This revolving door of insiders is not illegal. My main concern regarding the revolving door issue is that it can compromise the integrity and impartiality of public office. Therefore, movement between these two sectors should be controlled to manage immediate job transitions and to ensure that bias in public decision-making does not arise.

I also want to examine a few examples of lobbying organisations—for example, the Migration Institute of Australia. This lobby group wants cheap foreign slave labour, rather than Australian locals. I will read a few additional reports. A recent report by the ABC stated that according to an Australian parliamentary inquiry, Australia's horticulture industry is at the centre of yet another migrant slave scandal. The same parliamentary inquiry was told by an undercover Malaysian journalist that foreign workers in Victoria were “brainwashed” and trapped in debt to

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[COUNCIL — Thursday, 1 November 2018]

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Hon Charles Smith; Hon Simon O'Brien; Hon Colin Tincknell; Hon Alison Xamon; Hon Aaron Stonehouse;  
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keep them on farms. Recent research from the University of Sydney documents the complete corruption of the temporary visa system and argues that Australia runs a de facto low skilled immigration policy. In late June, the government released new laws to combat migrant slavery, which bizarrely imposed zero punishment.

Allan Fels, head of the Migrant Workers' Taskforce, revealed that international students are systematically exploited, particularly by bosses of the same ethnicity. A new study by the University of Technology Sydney claims that Australia has a large silent underclass of underpaid migrant workers, with backpackers and international students owed more than \$1 billion in unpaid wages. What do we get when we add ever more cheap foreign labour to an oversupplied labour market? We get a complete breakdown in industrial relations as firms give up on training and full-time employment and instead import easy come, easy go foreign alternatives.

Another lobbying example is the Council of International Students Australia, which I have spoken about previously in this place, lobbying against limiting immigration into WA. It is an axiom in academia that foreign students bring the money that universities need to pay the million-dollar salaries of chancellors and vice-chancellors, and other pointless positions. This works well for international students as it serves as a simple backdoor into Australia. Dr Jenny Stewart, in her 2015 article "Hooked on students", wrote —

Like many people, I had assumed the rapidity of Australia's population growth was largely a result of our official migration program—which focuses on people successfully applying to become permanent residents of this country.

...

If you work in a university, you cannot help but be aware of the extent to which universities are dependent upon income from international undergraduate students. Many of us working in the sector realised that it was not for any intellectual brilliance on our part that the students came, but because for many, coming to Australia as a student was a significant step on the path to becoming an Australian resident.

Our own Minister for Education and Training has confirmed that in this house.

I want to briefly examine the real effects on high immigration so that no-one in this house is any doubt. In 2016, the Productivity Commission penned its "Migrant Intake into Australia" report, which made a number of damning conclusions. I will provide some examples, but I encourage members to read the entire report —

**FINDING 6.2**

Employers' incentives to invest in training of their workforce are likely to be dampened as a result of ready access to skilled immigrant labour ...

**FINDING 7.1**

High rates of immigration put upward pressure on land and housing prices in Australia's largest cities. Upward pressures are exacerbated by the persistent failure of successive state, territory and local governments to implement sound urban planning and zoning policies.

...

**FINDING 7.3**

Immigration, as a major source of population growth in Australia, contributes to congestion in the major cities ...

There is an obvious trend here. Immigration is used as a simple money-making tool, otherwise known as a population Ponzi scheme. Be it for cheap labour, easy money or pushing up the price of investment properties, it is a money-making rort inflicted on the Australian public by career politicians and lobbyists for companies to make as much profit as possible at the expense of local residents. Now universities are getting in on the act, with vested interests in easy foreign cash.

The federal government noted that the WA government was the first Australian government to introduce a lobbyists code of conduct and a ratio of lobbyists. On 20 March 2007, Premier Alan Carpenter tabled the WA Contact with Lobbyists Code in the Legislative Assembly. However, this code was weak and minimalist. The then Premier stated —

The ... Code is deliberately minimalist in its approach. It applies only to lobbyists who represent third parties. It does not apply to business lobby groups, trade unions, or religious or charitable bodies. Nor does it apply to recognised professional and technical occupations.

Unfortunately, and not surprisingly, this act was weak and ineffective. However, I give credit to former Premier Colin Barnett, who introduced the Integrity (Lobbyists) Bill 2011. I am saddened that this bill lapsed and

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has not been reintroduced along similar lines. I think perhaps it is time to re-examine that bill and introduce it in this house.

**Hon Alannah MacTiernan:** Why are you congratulating him for not doing it when he had control of it?

**Hon CHARLES SMITH:** He was trying to do something about it.

**Hon Alannah MacTiernan:** He did not introduce it, did he? He introduced it but he did not pass it.

**The PRESIDENT:** Order!

**Hon CHARLES SMITH:** As I previously stated in this house, The Guardian Australia has reported —

Not a single lobbyist has been punished for breaching rules in the past five years—either federally, or in Victoria, Western Australia, Queensland or South Australia.

This was confirmed by my questions to the Leader of the House when Parliament last sat. As I have outlined above, it is clear that something is amiss and pockets are being lined by these special interest groups. Let us look at the WA Labor government's Huawei deal. *The West Australian* published the following earlier this year —

The state government has denied any conflict of interest in the awarding of a controversial telecommunications contract, despite revelations the winning tenderer spent thousands on travel for two ministers when they were in opposition.

Transport Minister Rita Saffioti and Education Minister Sue Ellery were given an expenses-paid tour of China and free mobile phones in 2015 by the company awarded a \$136 million contract by the Public Transport Authority to fit Perth's rail network with a 4G data network.

Chinese telecommunications giant Huawei, which announced on Friday it won the lucrative deal, picked up the tab for the five-day trip, including travel costs within China, accommodation, meals and entertainment.

The Australian Security Intelligence Organisation has warned about Huawei in the past. Earlier this year, the federal government disqualified the company from rolling out the 5G network due to its close ties with the Chinese government and fears of it becoming a conduit for espionage. On the advice of ASIO, the company was also ruled out for the national broadband network infrastructure. The Australian public deserve transparency and 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 do what they can to aid the people they represent. The Australian public is all too aware of the revolving door of people leaving government, leaving Parliament and stepping into the upper echelons of big business. Ex-politicians, staffers and public servants are constantly leaving their positions only to take lucrative jobs lobbying for their former government colleagues on behalf of private interests.

Lobbying and lobbyists need to be taken much more seriously than they have been up to now. To its core, lobbying is the art of making government officials feel indebted to a lobbyist and their sponsor. If corporations are incentivised to try to exploit governments, and the government is both the rule maker and breaker, relying on the electorate to police its worst excesses is naive. Instead, we need highly specialised and independent bodies to tackle this problem. Currently, within our political class it appears to be self-interest at every possible waking moment. It is conniving and calculating how to squeeze every possible advantage—from superannuation funds, the jobs for the boys, the seats on boards and consultancies to lobbying, they are all stitched up while in Parliament. The solution is for the political class to become accountable and to behave like leaders and not sleazy self-interested politicians. Until they do, the public will continue to hold them in contempt, and rightly so. The good news is that confidence in politicians can be restored. It can be restored by enforcing more robust regulations that are firmly policed. I commend to the government the following solutions: caps on political donations, lower donation disclosure thresholds, real-time reporting of political donations, bans on foreign political donations and a two-year blackout period for public servants joining private operations that stand to benefit from insider knowledge. There is no downside to this at all. This will help restore the public's faith in the integrity of its public institutions. I commend these solutions to the house.

**HON SIMON O'BRIEN (South Metropolitan)** [10.30 am]: I am delighted to respond on behalf of the opposition. I was just pausing to see whether government members had something to say, but obviously the cat has got their tongue.

**Hon Alannah MacTiernan** interjected.

**The PRESIDENT:** Order, minister! Hon Simon O'Brien was just commencing. He was not seeking interjections. If you would like to continue.

**Hon SIMON O'BRIEN:** Thank you for your protection, Madam President.

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Hon Alannah MacTiernan

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I thank Hon Charles Smith for raising this issue today. It is an important issue, but it is also a timeless issue. The question of where political parties stand in the eyes of the public is always a matter for debate, and it has been for probably hundreds of years. It is the nature of the beast. It will continue to be just that for hundreds of years more, we hope. It is important to continue the scrutiny of political parties, candidates and members of Parliament by the public at large and by an unbiased and professional media. These are some of the key pillars of our democratic institutions, the most notable of which is Parliament itself. That being said, in order to preserve confidence, we need a robust attitude to issues such as the ones that have been raised by the honourable member in his motion. What is more problematic, of course, is coming up with solutions that achieve all the ends that the member so desires.

Let us get a few things on the record. First, the Liberal Party absolutely rejects notions of undue political influence or, indeed, corruption, votes being bought or favours being applied for. In the past, we have stood up to be counted, most notably in the 1980s and 1990s, I recall, when it was necessary for people to stand up and say that what the government was doing was corrupt in that the party in government at the time was accepting donations from certain well-heeled people about this town who were expecting massive examples of largesse to be fed back to them by government. We reject that sort of behaviour explicitly and implicitly. In terms of the spirit of what Hon Charles Smith has moved, we are at one with him and his colleagues on that. But it is more than just giving lip-service to it. We have a record of opposing it. We reject corruption wherever it may be perceived to be and we are determined to make sure that the public of Western Australia can rely upon the processes that this Parliament puts in place to ensure that the activities of government are subject to review. I know that Hon Tjorn Sibma, who I suspect may wish to catch your eye before this debate is finished, Madam President, has been doing a great deal of work on that particular matter and I know that there is a lot still to come.

Of course, proposals that are based on the purest of motives, such as the one from the mover today, tend to find difficulty in the detail. He wants to see caps on donations to political parties. It raises the obvious question: what is the value of the cap? Indeed, in the case of some donations, how does one apply a cap? In the case of things donated in kind, for example, but also in pure cash terms, where is the cap set? If the cap was \$1 000, for example, and my brother was running for Parliament and I wanted to donate \$1 500 to his campaign, would I be prohibited from doing that? I should not be, because from time to time some other people out there, with less pure motives, support political parties and will find ways around it. All the member will succeed in doing by having some sort of cap imposed is, in fact, stopping people from participating in many cases in the political process, and they should be entitled to do so. Similarly, with lower disclosure thresholds, I am more concerned about the donations and the promises that are made without disclosure. That is where the problem lies. We have disclosure thresholds, as the member well knows. If a disclosure cap of, say, \$10 000 is put in place, all these donations for \$9 999 will come in. I know; we see it all the time. I think that real-time reporting needs to be explored more, and we have a capacity to do that, so I will be interested to see what initiatives the government has in that space, because, until now, it has not seemed too keen on that.

The member's motion contains some other proposals that, of themselves, are wideranging subjects. They particularly attract my attention and they deserve further consideration—more than we can perhaps give today. I refer firstly to bans on foreign donations. In this globalised world we live in, this is one of the real cancers starting to afflict our democracy. When billionaires in California can make donations to certain political parties to hire professional protesters to stuff up the things that legitimate governments are trying to do in this state, that is a problem. That is an attack on our democracy. Conversely, legitimate donations coming from within this town should be encouraged, not discouraged. Political parties raise funds and they do so publicly and legitimately—for example, the WA Labor anniversary gala dinner that was on in March this year. I must have missed it in my dairy! The invitation states —

Join Mark McGowan and his entire Parliamentary team —

Did the entire parliamentary team front? I do not know; I am sure they would have.

**Hon Alannah MacTiernan:** Pretty much.

**Hon SIMON O'BRIEN:** Pretty much? It would have been a hoot of an evening, I imagine! And why not? They had a lot to celebrate. Good luck to them. They took the opportunity for it to be a fundraiser. Why not? Good luck to them. The WA Labor anniversary gala—there is no “h” on the end of gala, I want to stress; it was just an anniversary gala—in celebration of the —

**Hon Alannah MacTiernan:** It's so sad that you couldn't have one, too!

**Hon SIMON O'BRIEN:** We had a farewell party for a few people, don't you worry!

Several members interjected.

**Hon SIMON O'BRIEN:** Madam President, these are unruly interjections!

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Hon Alannah MacTiernan

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**The PRESIDENT:** Members, order! I know that Hon Simon O'Brien is being entertaining but educational, but he does not want any interaction, so I encourage him to continue.

**Hon SIMON O'BRIEN:** It was a celebration of the one-year anniversary of WA Labor's election. For heaven's sake, the expression is the "first anniversary", not the "one-year anniversary". Since Hon Peter Collier ceased being Minister for Education, have standards not declined? The price to get in for WA Labor members was \$1 500 for a table of 10—and they did not even have to do the dishes afterwards! It was \$165 for an individual ticket, and they were released on 12 February. But for non-members, it was \$500 for an individual ticket. That would be the other people that they want to get in, not the in-team, but the others who want to come and curry favour: "Here is our \$500." I wonder whether there was a top table that cost a lot more, where a person could sit with the Premier. But good luck to the Labor Party. By all accounts, attendees had a whale of a time, did they not? Funnily enough, I just happen to have a Twitter thing I saw. This cannot be recorded in *Hansard* of course, but members might wish to see it. It says, "Table 33 rules".

**Hon Tjorn Sibma:** Who is it from?

**Hon SIMON O'BRIEN:** It does not matter who it is from, but there is a picture of a minister and a couple of people, and are they not having a whale of a time? Good luck to them!

**The PRESIDENT:** Member, did you want to table the image?

**Hon SIMON O'BRIEN:** I think I could table that if I have leave to do so.

**The PRESIDENT:** Do you want to seek leave, member?

**Hon SIMON O'BRIEN:** I seek leave to table it.

Leave granted. [See paper 2138.]

**Hon SIMON O'BRIEN:** They are all having a great time. An open-mouth selfie it looks like there. Who is that chap there? Is he that bus operator doing the hop on, hop off thing in the Swan Valley? He was happy to support Labor. He probably paid \$500 and all he got in return is access to a couple of Public Transport Authority bus stops, no \$50 000 or anything getting thrown in his direction. Perhaps that is a debate for another day. I congratulate the member on his motion.

**HON COLIN TINCKNELL (South West) [10.41 am]:** I thank Hon Simon O'Brien for the entertainment!

This is an important non-government business motion that Hon Charles Smith has moved today. The issue of political donations affects every single politician and every single party in this country. It affects every single person in this country, because, as Hon Simon O'Brien mentioned, it is great that we have the scrutiny of the public. It is what makes our democracy one of the best in the world. It keeps us on our toes and it makes sure that we do our job. However, as Hon Charles Smith has mentioned, things have got very murky because people have become very ingenious in working out ways of funding political parties to get favours done. I think in the last election campaign the Labor Party promised to establish an independent body to look into political donations. When the government responds to this motion, I ask that it please let us know what happened to that. That is number one. The level of political donations in the state needs to be crystal clear and transparency needs to be maintained. I work on the Standing Committee on Estimates and Financial Operations and, as members know, we cannot discuss a lot about that, but one of the main things, one of the most important things, everyone on that committee looks at is transparency of our government departments, agencies and politicians. It is important that we do our job well on that committee so our transparency and accountability to the public and the wider world is clear for anyone to see; otherwise, our system breaks down.

When I walked into this place just under two years ago, I was very much impressed with the traditions and how we got to where we are today through the Westminster parliamentary system that we all know and work under. It has served our nation well, but we are at a crisis point when it comes to political donations. Whether donations are made through third party groups, unions or private companies, it is a difficult issue for all of us. As Hon Simon O'Brien mentioned, it is an issue we will deal with for many years.

Victoria has decided to go a different route. The beautiful thing about this non-government business motion that has been moved today is that it invites debate. We want constructive debate. I notice that not a lot of people stand up when the previous speaker sits down, but we want members to stand up; we want them to have their input. Backbenchers who do not always get a chance to speak should please stand up and speak their minds. This is a really good debate that needs to cover their thoughts so we can hopefully get a system in Western Australia that works well for us—all of our parties and all the people in WA. If the Andrews government gets through in Victoria's next election, which it looks like it will, there will be funding of \$45 million. To answer Hon Simon O'Brien's question, the Victorian government has decided on a cap of \$4 000 for third party campaigners for every four-year

cycle. That is the cap it has decided to go with. It understands that these caps are going to cost and that donations will be worth less than what had been flowing through before, and that is why it has put that funding through. Every member of Parliament will receive around \$40 000 a year. The lower house will be at \$6 a vote and the upper house will be at \$3, which is very disturbing!

**Hon Simon O'Brien:** That is outrageous!

**Hon COLIN TINCKNELL:** I agree with Hon Simon O'Brien that it is outrageous!

Third party groups will have to disclose any donations over \$2 000. Importantly, the Victorian government wants to ban foreign donations completely. Any donation of \$1 000 will need to be publicly disclosed. That is the way the Victorian government is looking at it. That is one way to do things.

**Hon Simon O'Brien:** What about when a couple of big mining companies want to spend millions of dollars to attack an individual candidate like they did with Hon Brendon Grylls? Where is your protection against that? Should that be happening?

**Hon COLIN TINCKNELL:** I do not know. I am not saying this is the answer; I am saying that this is the way the Victorian government has looked at it.

It is an interesting debate. Members will have noted that when Hon Charles Smith went through his points, he invited different ideas and he gave a couple of examples, which is what I am also doing today. Any form of funding, donation, sponsorship or invitation that requires funding for travel will have to be declared and in a timely fashion. It is a no-brainer, but apparently it is still a grey area. I just do not think it is good for all of us politicians to be seen as not being clear with what is going on. We have seen that people have travelled and that has not been made transparent, and then stories come out later. Perception tends to be 90 per cent of the truth for the public. Politicians have no-one but themselves to blame for their bad reputations in this area. The Australian public's eyes are on us and we need to debate this issue. We should not be too scared to discuss all the different options that could come before us.

Political influence and donations are not taken seriously at times, and we only have to look at the drama and nonsense that has happened at the City of Perth over the last two to three years to see that. The rules were ambiguous. People were not sure what was meant to be declared and what was not, and nonsense went on. When it is all said and done, people have a moral compass, and we know what is right and what is wrong. Even during my time as I came into this place and looked at the entitlements given to me, I questioned whether the entitlement should be there and how it should be properly used. Things do seem to be ambiguous. This Parliament and government have made an attempt to try to change and clarify things, but I think there is still a long way to go.

This is an important debate and I invite other members to stand up, be heard and seriously discuss this, because it affects us all. I am not talking about advantages, because we will always find that bigger parties have an advantage over the smaller parties. There is no doubt about that. But the important thing is what the Australian public is thinking. Hon Charles Smith said that in the last by-election, more than 30 per cent of people voted for minor parties. Why is that happening? This is one of the reasons—that is, political donations and the way the public thinks politicians are making decisions and what they are based on. People think there is corruption, and if they think that, we have a problem. We need to do something about it. This is a good debate and I applaud the honourable member for bringing it to the house.

I will finish off by saying that even before I entered this house I thought about the public paying for election campaigns, as the Victorian government plans. I have a problem with that as well because I do not think people will be happy about that either. Maybe there is a happy medium between the two and that is what the Andrews government is looking at. I do not know. A member in front of me is shaking his head because he does not agree with that. That is good, and I would love him to stand up and give his views on that. This is a valuable debate for this house. I thank members for letting me have my say.

**HON ALISON XAMON (North Metropolitan) [10.50 am]:** I rise on behalf of the Greens to indicate our support for the motion in front of us today. It is an important discussion for this house to have because the integrity of our electoral process is at the core of the concerns raised by Hon Charles Smith. These concerns have been echoed by the Greens since our party was first established in 1990. Indeed, we have very strong policies at both a federal and state level that call for transparency and reforms of donations and electoral expenditure. The Greens fundamentally believe that all citizens have the right and responsibility to participate in and to equally access the processes of government. That second part, equal access to government, is at the core of the call for electoral reform of donations.

To be very clear, the Greens have long advocated and supported public funding of election campaigns. I want to make sure that is fully transparent. It is clearly there in black and white in our policies and has been since our party

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was first established. The obvious question consistently gets raised: if not through donations, how will elections be funded? The Greens are of the view that public funding of election campaigns has a role to play. It happens in other jurisdictions. The Greens are not saying that there should not be donations—not at all! As I think Hon Simon O'Brien was effectively suggesting people have a legitimate role to play in expressing their support for one political party or another. I certainly agree that that is a legitimate part of the political process. However, we need to talk about who is accessing the power and authority that comes with the privilege of government. That is where the Greens have a fundamental concern. Although we certainly recognise that individuals absolutely have the right to exercise their democratic rights, we have a genuine concern about large for-profit companies and corporations that are able to buy disproportionate influence. The Greens continue to have that concern.

I think an argument can be made for caps on donations and a discussion can be had about what an appropriate cap would look like. Is an appropriate cap \$10 000 or is it \$1 million? Who knows? I think it would be important for the community to have a discussion about what people consider to be a reasonable cap in a democratic society that values and treasures the rights of individuals as equal participants in the political process.

The Greens have long advocated for lower disclosure thresholds. The federal and state systems, obviously, currently have different thresholds. We consider it to be a no-brainer that the threshold should be much lower than it is now. The Greens opposed the changes to thresholds when they were introduced at the time and we remain opposed to them. This ties into the issue of donation transparency. That is the concern! We never really know who is donating to political parties. If members support donations being made, at the very least they must think that people have the right to know who supports political parties or individual candidates at any given time. That is why the Greens have strong views about the role of third party donations. Most notably, I am thinking of organisations such as the 500 Club, which are able to donate large amounts but it is very unclear—in fact impossible—to find out where those donations have come from. That lack of transparency is deeply concerning.

We have a real issue with the lack of real-time reporting of political donations. I note that the government said it would look at some reform in this area. However, we have yet to see what will be proposed. At the moment, it can take up to 18 months until people get some idea of who has donated to a political party or candidate. Frankly, that is outrageous. Real-time donations should be able to effectively reveal and potentially shed some light on who is trying to buy influence, particularly with any party that may constitute a government of the day. We need to look at this issue as a matter of priority. It is one that the Greens absolutely support.

The Greens also support addressing the issue of foreign donations, particularly those that go directly to political parties. It is hard to see an argument for any foreign entity feeling the need to interfere in our domestic political process by donating directly to a political party. That area needs to be looked at. I remind members that I have a matter on the notice paper of a reform issue that I think is quite urgent—that is, a bill that will make it unlawful for ministers, who are the executive of government, to sell access to themselves to fundraise for their political parties. I remind members that ministers are given extraordinary powers so that they can undertake their roles most effectively. However, I argue that with those extraordinary powers comes extraordinary responsibility. Frankly, it is inappropriate for certain entities to be able to buy access to a minister and for the minister to use those funds to line party coffers. Serious concerns have already been raised about the Australian Labor Party leaders' forum and what has happened with the Scarborough development. I have no idea whether something is in it or not, but questions have been raised in the minds of many citizens. As has been said, that is concerning in itself because people lose faith in the integrity of the government process and everyone should be deeply concerned about that.

The Greens also support the principle of the final part of the motion, which is a two-year blackout for public servants joining private organisations that stand to benefit from insider knowledge. As a principle, the Greens are very concerned about this. It is gravely concerning when senior public servants and, particularly, previous ministers are able to benefit commercially from the knowledge and trust placed in them during the period they were in Parliament. It is concerning when they use that for their own personal benefit once they are outside of Parliament. The only reservation I will place on that at the moment—I do not think this is necessarily at odds with the intent of this motion—is that coming up for debate in this house is a bill that will impact severely on some senior public servants. That bill will effectively mean that they will lose their permanency and, as a result, will need to look for work elsewhere, most notably within the private sector. If we are serious, as I think we should be, about wanting to maintain the integrity of our public service and put limits on the capacity of public servants to gain a personal benefit within the private sector, likewise we also need to protect the capacity of our public servants to remain public servants. These things do not happen in isolation. We will be debating that legislation in the near future, so I do not wish to reflect too much further on that. However, we need to ensure that every time we look at these issues, we also look at the broader implications.

**HON AARON STONEHOUSE (South Metropolitan)** [11.00 am]: I had not intended to speak on this motion, but during the course of the debate a few things were raised that I want to address and put on the record. Two of the previous speakers advocated for the public funding of elections, as opposed to the current system of private

donations. I can think of nothing more perverse than forcing the public to fund the election campaigns of political parties. Why on earth should the taxpayers of Western Australia, who are already bent over a barrel by government, be forced to pay for my corflutes or anyone else's corflutes? I can think of nothing more abhorrent. We already use coercion, or the threat of violence—we force people into polling booths and to participate in the democratic process, whether or not they want to. When I say “coercion”, I mean there is a fine. However, what happens if people do not pay the fine? Maybe they will be ordered to go to court. What happens if they do not go to court? Fines are enforced with, ultimately, the threat of violence. That is where all political power comes from. I am sure my colleagues on this side of the chamber are well aware of that Mao quote. We force people to participate in the democratic process whether or not they want to. We fine them if they refuse to participate in that process. People may not be interested in the political parties available to them, but we force them to vote, or at least attend a polling booth. Should we now be advocating that those people be forced through their taxes to fund those political parties? Those political parties may go against everything those people stand for. They may go against their conscience. Picture for a second a party that flirts with racist ideas or a discriminatory immigration policy. Many people would find it absolutely disgusting and abhorrent that their tax money would be taken from them and given to a party whose values offend against their very moral fibre.

**Hon Alannah MacTiernan:** That is already happening at the federal level.

**Hon AARON STONEHOUSE:** Perhaps. I do not mean to be too prescriptive. But that is how many people see it at the moment. By publicly funding elections, we are forcing people to put their money towards parties that they may find abhorrent, or that go against their values, conscience and virtues. That is a disgusting scenario that we should absolutely try to avoid.

**Hon Robin Scott:** Is that a bit like legalising drugs?

**Hon AARON STONEHOUSE:** Yes, perhaps. It is a policy of mine to legalise cannabis. People may find that a completely harebrained, or perhaps a dangerous, idea. I disagree with them, of course, but that may be their view. Why should those people be forced to fund my election campaign? I believe that a democracy should be tempered with freedom and liberalism, and with the freedom to associate or disassociate. No-one should be forced to associate with a political party that does not represent their views.

The idea of imposing caps has been mentioned a few times. The question was raised by Hon Simon O'Brien of where those caps should be set and how people might avoid breaching those caps. He gave the example of a \$10 000 cap and said that people might donate \$999. He also raised the question of in-kind contributions. That is a good point to keep in mind. We might cap the amount of money that I can donate to a political party, but what if I wanted to volunteer my time? My time volunteering might be worth far more than whatever the cap was. If I donated all my time for months on end to a political campaign, that might be worth very much more than whatever financial cap might be put in place. A person might donate resources such as a printing machine, or office space. It would be difficult to put a financial figure on that. How could we put a cap on that, and should we put a cap on that? If people are motivated and care passionately about an issue that a political party represents, should we say to them, “No. There is a cap. You have contributed too much of your time and energy to that election campaign, so you can no longer volunteer your time. You can no longer doorknock for that political party”? Ultimately, the money that people donate to a political party is a representation of their time, labour and effort, and their passion, perhaps, for that political party and its issues. That is missed somewhat when we talk about caps. People may choose to donate money, or they may donate their time instead.

This issue can also get a little murky. We may say that individual donations are fine. If grandma wants to donate \$5 to her local Greens' candidate, that is good and wholesome. That is a part of the democratic process and it needs to be protected. However, if an evil corporation with a monopoly man at the head of it wants to donate \$5 000, that is bad. For some reason, a distinction is made between those two. Should all organisation or collective donations be banned and individual donations be protected? What about trade unions? Do trade unions not have a place in our democratic process? Should they not be able to donate to the Labor Party or other parties that represent their views? What about charitable organisations? What about an organisation that is made up of not one person but a collection of individuals who care passionately about an environmental issue and want to donate to a party that will further their interests? What is the difference between that organisation and a corporation? They are each a collection of individuals. A corporation is representing shareholders, and perhaps its employees. What is the difference, really? When it comes to the democratic process, why should we draw a distinction between those two groups? Should we be so arbitrary as to say one is a good group, because it dedicates all its money towards its causes, and the other is a bad group, because it makes a profit? Should there be a distinction there, and why? What arbitrary definition will we use to separate those groups? If there is corruption and if ministers are being bought and paid for by evil corporations, that is obviously what we should target and go after. However, to place caps or arbitrary restrictions on how people can exercise their democratic rights by donating to parties that



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represent their views is, I think, foolhardy. The bad guys in this scenario will always find ways around it. They will not declare their donations. They will make donations in other ways.

I am not speaking out of self-interest here. There may be a misconception that because I am a member of a libertarian party that advocates for free markets, corporations will donate to my party because they also want free markets. They do not do that, actually. It turns out that a lot of people in business are rent-seekers, just like everybody else, and in most cases they want more government rather than less government to keep out competition or get special favours. There are not a lot of businesses that advocate for a free market and competition, unfortunately, so I am not speaking out of self-interest.

The ability of people to donate their time, money or resources to a political party that represents their views underpins our liberal democracy. It is an exercise of their right to political speech. It is implied in the Australian Constitution that people have a right to political speech. I believe that extends to expressions of political speech. It also extends to the way in which people spend their money. People vote with their wallet. If people want to support one party over another, they may donate their time or their money. That needs to be protected. Let us target the bad guys and the corruption, but let us not trample on citizens who want to exercise their democratic rights in our parliamentary democracy.

**HON ALANNAH MacTIERNAN (North Metropolitan — Minister for Regional Development)** [11.10 am]: I compliment Hon Charles Smith for bringing forward the motion on political donations and lobbying reform. Everyone in this house acknowledges that there are ongoing issues in any democracy for ensuring that our system of government maintains its integrity. We all know that there is an inequality of influence generally within our society. We need to ensure that in a democracy, in which we value each person and each person has an equal entitlement to vote, we try to balance that power to ensure that the fundamental principles and notions of democracy are not overwhelmed. We all know that that is a real issue and we struggle with how we do that, while at the same time needing to maintain the apparatus of political parties and the apparatus that is necessary for us to be able to drive the engine of democracy. These are difficult and challenging issues.

There needs to be a great deal of honesty from all parties in this place about their party and the donations it receives. I frame my comments in the first instance by saying that we do believe that there is a notion that lots of companies no doubt donate because they want access, although access does not mean that they get a decision that favours them. I think it is true that donations give access. However, donations are also given for other reasons. For example, certain famous billionaires in this state might fund the National Party because they see it, certainly at the federal level, promoting their issues and they have an ideological and philosophical similarity with that. Likewise, the unions that provide support to the Labor Party, and in some cases to the Greens, share an ideological affiliation. The Labor Party, the oldest established political party in this country, emerged from the union movement. There is nothing wrong in that. However, I am amazed that some parties can get up and pretend that they are somehow pure and above all of this when indeed they too are in the environment in which they need to fund their election campaigns to get out the ideas that they believe in. I compliment Hon Charles Smith for bringing forward this issue because it is important that we have a debate on these issues and that we are constantly vigilant, but I find pretty incredible the idea that somehow they are draining the swamp.

Just the other day in Kings Park, Pauline Hanson, the great spiritual guru of our friends in One Nation, had a dinner for \$5 000 a head. How does that pull the plug out of the swamp? I would have thought it was supergluing it in! Pauline Hanson has some difficulty coming to terms with matters. I note that there was discussion about the former Lord Mayor of Perth, and some difficulty coming to terms with what a donation means is shared by the One Nation leader. Indeed, Senator Hanson had great difficulty reconciling as a donation the use of James Ashby's plane during the election campaign. An investigation by the Australian Electoral Commission found that that was indeed a political donation, as was another gift of \$57 000 from a Victorian property developer. She had not been able to understand that that came within the concept of a political donation. These are important issues, but members opposite should please not come in here pretending that they are as pure as the driven snow.

Let me talk about the next lot of concerns we have about donations to some of the smaller parties. The gun lobby, the gun advocates affiliated with the National Rifle Association of Australia, in the last Queensland election helped to fund Queensland candidates. Probably lots of our friends on that side—the Shooters, Fishers and Farmers Party, the Liberal Democrats and One Nation—are receiving donations from various players within the gun lobby.

**Hon Colin Tincknell:** I will let you know about that.

**Hon ALANNAH MacTIERNAN:** I will hand the member these papers. Certainly they were there in Queensland doing it and it would appear that that occurred federally. I note that Hon Aaron Stonehouse was the only one who did not get self-righteous, and probably quite rightly because a major donor to his party in Western Australia was the tobacco company Philip Morris. Let us be honest that this is a challenge for all of us. Of course, we know that

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our friends in the Greens have been the recipient of the biggest ever political donation. Although Hon Alison Xamon is focusing very much on ministers and their executive power and that they should not be able to be involved in the process of raising funds for a political party, I point out that in this chamber, where we do not have a dominant government, the minor parties absolutely can control legislation. We saw that with the proposal to provide a very modest tax on the gold companies, the minor parties were able to stop that with their power. Similarly, the same thing can occur with other legislation.

**Hon Alison Xamon:** The Greens supported the gold tax.

**Hon ALANNAH MacTIERNAN:** I know the Greens supported that. However, the principle I point out is that this is a challenge for all of us. I urge that no-one in this house descends into self-righteousness in this regard because there are issues for all of us with fundraising. I note with some amusement Hon Charles Smith lauding the great work of Colin Barnett in introducing integrity lobbyist legislation. I think that is a complete joke. Bearing in mind that the former Premier's party had control of both houses of Parliament throughout its term of government, it introduced this legislation originally in 2011. When was it finally passed? It was passed in June 2016 in the dying days of that government. When government members knew they were history in December 2016, it was finally gazetted. It was not something that the former government wanted to have in place during its entire eight and a half years of government. So, please, be a bit realistic here.

Premier Mark McGowan, then Leader of the Opposition, pledged a raft of changes during the state election because we knew this had to be an ongoing and iterative process. Those changes are being worked on, and Minister Bill Johnston is working towards bringing a package forward in the near future. We are looking at disclosure thresholds, because the reduction of those is really important. We are certainly focusing on the introduction of greater transparency around third-party donations. Hon Alison Xamon referenced, for example, the 500 Club, by which people can donate through a related party affiliate without the donations being declared. That really needs to be attended to because it makes a mockery of the current system.

We believe it is really important to introduce online electronic disclosure, and the work being undertaken by Minister Bill Johnston includes working through that system. It is quite complex, but we are working through those arrangements. We want a more electronic form of lodging donation records, and for it to be more timely. That is part of what has been argued here today. We want to reduce the public disclosure threshold and provide greater transparency around third-party fundraising. Constitutional challenges exist in limiting third parties from participating in elections, making the issue of election spending caps somewhat difficult. This conversation and debate needs to keep happening.

**Hon Colin Tincknell:** Foreign donations as well?

**Hon ALANNAH MacTIERNAN:** I was just going to come to foreign donations. That, of course, is a challenging issue that is being worked through at a federal level at this time. I think many people share the concern about foreign donations. The WA Labor point of view is that that is being discussed at a national level, because in some of these areas it is important to have alignment because sometimes a party might use, for example, a state entity as a mechanism to get around the restrictions on federal rules. I believe we saw that in New South Wales, where there was a prohibition on, for example, property developers donating to the state regime. The Liberal Party has been accused—I do not know whether it is true—of effectively filtering donations from said developers through the national machine. So some of those things, particularly foreign donations, should possibly be worked out in alignment with the federal rules. I again thank the member for the motion.

**HON CHARLES SMITH (East Metropolitan)** [11.24 am] — in reply: I would like to first of all thank Hon Simon O'Brien, Hon Colin Tincknell, Hon Alison Xamon, Hon Aaron Stonehouse and Hon Alannah MacTiernan for their contributions this morning. It was good to hear that this issue is taken very seriously by all parties; as the minister suggested, all parties have to come to terms with and deal with it. It was good to hear that the Labor Party is looking into these issues and intends to do something about them down the track.

What Victoria is doing is an interesting concept, in terms of being funded by the central government rather than taking donations. I think we should examine that area further as a way of levelling the playing field in how political parties operate and are funded.

I think foreign donations are an extremely important and concerning area of party donations. In Europe, for example, I believe Hungary has banned interference from very wealthy individuals like George Soros, who I think it is well known funds far-left groups to protest and push his ideological political agendas in those countries.

During the last state election mining companies got together to campaign against an individual because they disagreed with his political ideas; I think that is also a threat to the greater democracy.

**Hon Alannah MacTiernan:** Do you think that campaign by the gun lobby in Queensland—Flick 'em—to get rid of the Labor Party was —

**Extract from *Hansard***

[COUNCIL — Thursday, 1 November 2018]

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**Hon CHARLES SMITH:** We are not in Queensland, member.

**Hon Alannah MacTiernan:** But that is sort of a relevant type of thing. That would be of concern to you, wouldn't it?

**Hon CHARLES SMITH:** That is in Queensland, member, yes—I am more concerned about Western Australia. I am concerned about all democratic interference.

**Hon Alannah MacTiernan:** Well, you were concerned about Hungary. I am just pointing out that it has actually also happened in favour of your party—anyway.

**Hon CHARLES SMITH:** Member, do you want to tell me how much Pauline Hanson's One Nation was funded during the state election? I will tell you how much we were funded—zero, as far as I know. There is no comparison between how much the majors get funded and the minors get funded; it is not a level playing field. That is the issue at hand.

That brings my contribution to a conclusion. Until this issue has been firmly dealt with, it will be ongoing. I congratulate the minister for saying her party will examine and assess what to do about it.

Motion lapsed, pursuant to standing orders.