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JOINT STANDING COMMITTEE ON ELECTORAL MATTERS

**Reference: Electoral Funding and Disclosure**

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**JOINT COMMITTEE ON ELECTORAL MATTERS**

**Tuesday, 21 August 2001**

**Members:** Mr Pyne (*Chair*), Mr Melham (*Deputy Chair*), Senators Bartlett, Faulkner, Ferris, Mason and Murray and Mr Danby, Mr Jull and Mr St Clair

**Senators and members in attendance:** Senators Faulkner, Ferris and Mason, and Mr Danby, Mr Melham and Mr Pyne

**Terms of reference for the inquiry:**

The Minister has referred the Australian Electoral Commission's *Funding and Disclosure Report, Election 98* to the Committee for consideration (see Attachment A). The Minister has asked the Committee to examine the recommendations contained therein together with those recommendations of the AEC's 1996 *Funding and Disclosure Report* still to be addressed, and 'report back on the desirability of their incorporation into the existing legislation'.

**WITNESSES**

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**Committee met at 1.14 p.m.**

**CHAIR**—I declare open this first hearing of the inquiry by the Joint Standing Committee on Electoral Matters into electoral funding and disclosure. This inquiry is the first time the committee has had a dedicated look at the electoral funding and disclosure scheme since 1994. Statements made by the Australian Electoral Commission in its second submission to this inquiry, including the admission that it is unable to effectively administer the scheme because of legal loopholes, indicate that this inquiry is timely.

We will be exploring the views of the AEC and others today with the Australian Democrats. The Australian Democrats is a party with a long history of campaigning for funding and disclosure of form, and should provide the committee with some interesting suggestions on how to overcome the current loopholes in the scheme.

The hearings of this committee are public and are open to all, and a *Hansard* transcript of the proceedings is being produced. The transcript will be available in hard copy from the committee secretariat, or via the Parliament House Internet home page.

Before the committee commences taking evidence, let me place on record that all witnesses are protected by parliamentary privilege with respect to submissions made to the committee and evidence given before it. Parliamentary privilege means special rights and immunities attached to parliament, its members and others necessary for the discharge of functions of the parliament without obstruction and without fear of persecution. Any act by any person which may operate to the disadvantage of a witness on account of evidence given by him or her before the committee is treated as a breach of privilege.

While the committee prefers to hear all evidence in public, the committee may accede to requests to take evidence in camera and will record that evidence. Should the committee take evidence in this manner, I remind the committee and those present that it is within the power of the committee at a later date to publish or present all or part of that evidence to the Senate. The Senate also has the power to order production and/or publication of such evidence. I should add that any decision regarding publication of in camera evidence or confidential submissions would not be taken by the committee without prior reference to the person whose evidence the committee may consider publishing.

[1.16 p.m.]

**MURRAY, Senator Andrew James Marshall, Electoral Matters Spokesperson, Parliamentary Wing, Australian Democrats**

**CHAIR**—I welcome the Australian Democrats, represented by Senator Andrew Murray, a member of this committee, to today's public hearing. Being a member of the committee, you would be aware that the evidence that you give at the public hearing today is considered to be part of the proceedings of parliament. Accordingly, I advise that any attempt to mislead the committee is a very serious matter and could amount to a contempt of the parliament.

Your submission is received and numbered 11. It has been authorised for publication. You might like to indicate whether there are any corrections or amendments that you would like to make to the submission, and also you may want to make a brief opening statement before your colleagues proceed to questions.

**Senator Murray**—Mr Chairman, the Australian Democrats submission of October 2000 was submitted by Jim Downey, national campaign director. He subsequently resigned for personal reasons, and the person who has taken his place is Matthew Baird, who also combines the position with that of national president—which is an interesting double up. He could not be here, unfortunately, and therefore it was felt that I should appear, with the blessing of the party. I should make it clear that I am here representing the parliamentary wing of the Australian Democrats as their electoral matters spokesperson. However, what I say will obviously have applicability to both wings. There are no changes to the submission made to you, but I would like to open with a brief statement.

It is my view, and the view of the Australian Democrats, that it would be preferable for the amount of money to be spent on election campaigns to be, at some stage, limited and not to be infinite. The pressures on all parties, including on parties represented by the people on the other side, for campaign finance and for administrative finance are very considerable indeed, and they are escalating. However, you cannot ever contemplate capping that area or controlling it fully, until there is a system of integrated national funding of political parties. We are supporters of all nine governments providing some or other scheme of funding of political parties. As I understand it, presently there are four, and one to come. They are the federal government, Queensland, New South Wales and the ACT, with Victoria having just announced that it is interested in it. That meets with our approval. You have to get to a stage where either there is solely public funding and small donations, or there is a mix of the two. But overriding that is the ultimate consideration we must have as to whether we can contain the escalating costs, because the pressures have, I think, bad consequences for us. That is one thing to say.

The second thing is that we are a 24-year-old party. We share with many individuals in all the other parties a strong commitment to disclosure, and ultimately we think that is the best protection for clean and good democratic standards. As somebody who has lived in other countries, I must say clearly to the committee that in my experience Australia is singularly blessed by both the overall quality of its political institutions and the performance of those within them. However, since my measuring stick is places such as Zimbabwe, maybe that is not as big a tick as you might think! But that is just an amusing aside. I genuinely mean what I have said. In five years in this place I have not had a whiff of anyone trying to bribe or influence me

improperly, and that is a great feature of our institutions. I will now take questions, if you want to direct them to the submission or generally.

**CHAIR**—You have often been an advocate in the past for quite strong treatment of overseas donations to political parties. The AEC's submission recommends that they be either banned altogether or automatically disclosed if they are over a certain amount of money. Do you have a preference for either of those options, or do you have any other comments you would like to make about overseas donations?

**Senator Murray**—As you would know—and this relates to a number of political parties—there have been allegations of big donations from the Philippines, Hong Kong, Great Britain, Sweden, Israel and probably other countries over the years. My own belief is that, because it is very difficult to get behind corporate shields and to actually do the audits and investigations which the AEC is entitled to do if it wishes to, it is preferable that they be banned. I notice that precedent exists in other countries. The United States, I understand, bans foreign donations, and probably so do others. So that would be my personal preference. Second best, without doubt, is complete disclosure, not only of donors but of who lies behind the donors. So, for instance, if it were a corporation, you would need to know who lies behind that corporation, or if it were a trust fund.

**CHAIR**—The AEC, in its submission—which obviously you would have read—took quite a hard line. It proposed a number of penalties for breaches of the disclosure rules. For example, one was that overseas donations, if they are not properly disclosed, should be immediately forfeited to the AEC. Another one was that parties that fail to disclose adequately donations that added up to over \$1,500 should forfeit twice the amount back to the AEC as punishment. It also suggested that anonymous donations should be aggregated and forfeited for the total amount of the anonymous donations. Such a hard line in the AEC submission took me by surprise. Do you think that those sorts of outcomes are necessary in terms of our current funding and disclosure legislation, or do you think the AEC is trying to crack a nut with a sledgehammer?

**Senator Murray**—You might recall that our original approach was that, if full disclosure was not achieved, the money should be forcibly repatriated to the organisation that sent it. In other words, the political party would lose the benefit of it. The AEC have indeed gone further. I think most of what they are advocating is good, because the system is only as good as those who will abide by it, with really high penalties for those who seek to get around it or who do not do the right thing. So I am not at all averse to their approach. Whether eventually it is double penalties or a single penalty I do not think is the issue. The issue is how strong the penalty is, and that the political party concerned should not have the benefit of the money.

**CHAIR**—Finally, one of our submissions from Marshall Wilson received some publicity a couple of weeks ago. It was about alleged overseas donations. Are you surprised by the allegation? Certainly it surprised me and I think it surprised most Australians that anybody would even think that that was possible in our general polity. It is quite naive about people peddling influence and other things. Do you want to comment on the allegation that he made and the impact that it might have?

**Senator Murray**—The allegation has been around for 14 years now, since 1987. In that sense it is a bit like the stuff that resulted in the jailing of people in Queensland. Some of that

went back to the mid-1980s, so its historical nature is not that critical. I would be surprised if the allegation were true with respect to a political party as a whole. Whether it could ever be proven true to be relative to an individual or to a small group of individuals, I would not know, because almost all political parties—I cannot remember any in my own party, but maybe there are people I do not know about—have had individuals who have gone to jail for one thing or another or who have broken the law. The fact that it happens in a political party does not damn the whole party; it just damns that individual. I do not know if the allegation is true. The committee did make it a public submission. I think the committee should deal with it on its face. If it cannot be proven or if there is found to be no substance behind the allegation, it should set it aside. That does not invalidate the overall case for overseas donations either being severely circumscribed or banned altogether because, as I clearly said to you, the instances in a number of countries have sometimes been hidden, mysterious and perhaps improper.

**Senator FAULKNER**—In mid-July, Senator Murray, there was press speculation about some dinners—I think they were \$2,500-a-plate dinners that the Democrats were holding, and fair enough. You recall the press coverage of that. There was a suggestion that the Democrats would have a look at this organisationally in terms of approach. It was reported that there was a difference between some in the Democrats in relation to the announced policy position contained in submissions over the years—that you disclose immediately details of such donors—and the approach taken in this case, which may have been a little different. Obviously, I do not have enough detail to know all the ins and outs of the specific fundraising activities, which are not uncommon for political parties. I wonder, because it was reported that your national executive is going to have a look at all this, whether the party has now come up with a clear position on approach on this issue.

**Senator Murray**—Let me make it clear at the outset that I am not against, in any sense or form, any political party pursuing donations from any sector of Australian society. Our own party chooses not to accept funds from a limited number of companies on environmental grounds, and that is fine. The Labor Party will take their own individual position. It is also no secret that, whilst parliamentarians can quarrel amongst themselves, it is nothing compared to the quarrels between parliamentarians and party officials at times—particularly over matters of law and issues. So that there would be some debate about this is not surprising.

Quite clearly, the party room and the party are committed to full disclosure. What does that mean? We have previously advocated, in our various minority reports for this committee, that anything over a certain amount should be automatically disclosed to the AEC so they can put it on their web site. We take that example from things like the continuous disclosure regime of the Corporations Law. It is a difficult thing because some political parties are not well equipped administratively to do that sort of thing. In response to that view of the parliamentary wing, the party has decided that it will disclose quarterly, and it believes it is possible to do that because the treasurer of the party has to draw together the necessary information for the BAS, so it is easy to do. That is our own position. I am not overvirtuous on this concerning other political parties. If it is the decision to remain annual, then so be it; but I think it would be preferable to adopt quarterly disclosure or continuous disclosure.

**Senator FAULKNER**—Disclosed to whom? Disclosed to the AEC or disclosed publicly?



**Senator Murray**—Disclosure to the AEC should be public. You then refer specifically to dinners and fundraising and that sort of thing. My attitude and the attitude of the party and the party room is that those should be fully disclosed if they are above the disclosable amount. You then have the difficulty, for instance in a recent circumstance, where for the Democrats a dinner was being run at \$2,500 a plate—I wish I could raise \$2,500 a plate!—

**Senator FAULKNER**—It would want to be a good dinner. I always say that, for Labor Party dinners—

**Senator Murray**—I would have to be better looking, I think! If you have a company paying for that, that should obviously be disclosed. But should the individuals who represent that company be disclosed? There is some debate on that about matters of privacy. My attitude is that whoever pays the cheque had better disclose. Again, that will be done quarterly in our party, and certainly it would be done annually under the law.

**Senator FAULKNER**—The Labor Party has had a similar situation here, and you would be aware that there have been some criticisms made about corporate fundraisers who have been raising moneys on behalf of the Labor Party. There is clearly a weakness in the disclosure provisions of the act. The Labor Party have basically said that we do not have to disclose but we are going to disclose in accordance with the provisions of the act. This is not unique to your party and I would be the first to acknowledge it. I preface my comment by saying that. In this circumstance, the Democrats will lodge a quarterly return with the AEC. Is that right?

**Senator Murray**—I have misled you. I have had a look at an email I have of their resolution and what it says is that they will publicly declare on the web site on a quarterly basis donations over the \$1,500 limit. So it will be available on the web site quarterly.

**Senator FAULKNER**—On the Democrats web site?

**Senator Murray**—What I have recommended to them—and they have agreed—is that, in the event of the AEC being prepared to accept it quarterly, we should do it by BAS. So my apologies—I misled you earlier.

**Senator FAULKNER**—But at the moment the act provides for annual returns and for returns after electoral events. Those obligations are the current obligations on political parties. But that has been determined by—

**Senator Murray**—The national executive.

**Senator FAULKNER**—But the policy position that you have outlined is actually determined by your organisational wing, not by your parliamentary wing. That is fair enough. Would you say that it was in accordance with the principles that are espoused by them? Do you see a difference now between the principles espoused at a parliamentary level and at the organisational level?

**Senator Murray**—No, I do not. I am very supportive of their putting it publicly on the web site, quarterly. I would like to go further so that the AEC would be willing to accept quarterly disclosures tied in with the BAS, but I do not think that should be obligatory just yet. We need

to establish from the AEC whether that is possible. I would certainly advocate that, and the party would not object to that. The party would be prepared to do that.

**Senator FAULKNER**—The issue is often raised that the provisions are such that after lodgment of returns there is significant delay before they are made public—although that is not the fault, it seems to me, of the political parties or of anyone. Is it fair to say that, while there is a level of transparency, one of the concerns that the Democrats and the AEC have expressed is in terms of the lag between the receipt of a donation and the time it is made public, as opposed to when it might be disclosed to the AEC?

**Senator Murray**—The key issue arises in an election. The media and the public would like to know what we raise, what you raise, prior to the election, to see who is funding the election—whether there is any improper influence and so on. Pretty well, my reading of donations to the political parties is that there is continuity. If the CFMEU donated to the Labor Party last year, they will donate this year. If NAB or one of the other banks donated to the Liberal Party last year, they will donate this year. So there are not that many surprises, frankly. But there is a view that you should make sure that people are aware of these things on a regular basis.

**CHAIR**—I am constantly surprised by who donates to the Australian Democrats!

**Senator Murray**—It is a little bit eccentric, I think.

**Senator FAULKNER**—Would this principle apply to donations in kind, and to gifts as well? For example, I saw on Anzac Day a wire story about what effectively was a \$6,000 consultancy to Senator Stott Despoja from Gavin Anderson. Again, I am not critical of any of this. That is obviously, in terms of the threshold, a disclosable amount. I do not mean this to be specific to the Australian Democrats; the thrust of my questions goes to the principle of the disclosure provisions of the act. Do you think those types of benefits for political parties ought to be subject to the same disclosure regime as actual cash donations?

**Senator Murray**—Yes, I do, whatever the benefit. It makes it administratively awkward for people, and it is difficult to coordinate and to get it right. But, frankly, I think that in terms of both the spirit and the intent of the act you have to disclose it as fully—and I believe you should disclose it as early—as you can.

**Mr DANBY**—Senator, just to go back to Senator Faulkner's point, the Australian Democrats are now taking large corporate donations—\$2,500 a plate—and we understand from you that you are not opposed to corporate funding. Earlier you said that with foreign donations you are particularly concerned about the origin of corporate donations. Applying your own criteria to Australian Democrats fundraising, what efforts have you or the Democrats made to discover whether any of these corporate donations are overseas donations?

**Senator Murray**—Personally I have not. I have not gone behind a particular company and said, 'Let me have a look at your share register, to see how much of that is foreign owned'—I just haven't. You make a good point, of course: our public companies, particularly, do have large foreign shareholding. I think the dangers of a publicly owned company or a union with public membership making donations are far less than in the case of trusts or foundations,

where you can actually disguise who the trustees are, who the beneficiaries are, and what the origin and the source of the funds are.

**Mr DANBY**—To return to the chair's question to you about the allegations that you gave some substance to after the last committee hearing, before adding substance to those claims were you aware of any attempts by any other Western or democratic legislatures to evaluate those claims? For instance, were you aware that the report by the Democrat led subcommittee of the US Congress—Lee Hamilton—into the allegations that you gave substance to after the last committee hearing was completely without foundation?

**Senator Murray**—I have presumed—because you have implied this, but it is not on the record—that you are referring to the allegations of Mr Wilson concerning—

**Mr DANBY**—It was on the front page of the *West Australian* with your name attached.

**Senator Murray**—I did not write it.

**Senator FAULKNER**—If only you could have!

**Senator Murray**—I would have had more quotes if I could have. I think you have impugned the journalist, if I may say so. What I did say was that, if there is a serious allegation—and it is a serious allegation—from anyone of a \$US6.5 million payment to a political party in this country in exchange for participation in an illegal arms trading deal, I think it is an obligation of the committee to investigate the matter. If the committee discovers that it is without substance, that it is not true, that it cannot be proven or that it is a mischievous allegation, then it should make that finding. What I do not believe should happen is that a submission made to this committee which was not concealed and which had been made public should just be left lying with no pursuit undertaken. I have made it clear that, whilst I am well aware of the Iran Contra affair and the background to that, I have no way of knowing whether any of those allegations are true or not. I think it is up to the committee to determine that. With regard to your specific question about whether I knew about the US Congress inquiry, yes, but I did not know about the details. In fact, you might not be aware of this but I have actually asked the committee if they could find the details, so I am glad you have them available.

**Mr DANBY**—But the people who were spoken to after the last committee hearing were not aware of the fact that there had been an investigation by Representative Hamilton and what they call the October Surprise Task Force of the US Congress and that it had been found that these allegations had no substance to them.

**Senator Murray**—Frankly, it would be a great thing if they were found to have no substance. If that is what is found by the committee following further pursuit of this matter, that is terrific, because frankly it would put a smear across our political processes if it were true.

**Mr DANBY**—It puts a smear across the Labor Party in particular, Senator Murray, which is what I am concerned about you lending substance to. I know the chair of the committee, in a rather funny way, defended a great political party like the Labor Party, but I am trying to hold you accountable to the same levels of accountability to which the Labor Party and the Liberal Party are held—that is, if we do make allegations and do add substance to the statements of

people who are regarded by most people in the media as delusional, we tell the media as well about important investigations that you say you were aware of by the US Congress. I just think it is unfair of you not to mention those kinds of things to the media when you are retailing these stories that impugn our political party.

**CHAIR**—I am not sure that that is all necessarily relevant to the Australian Democrats submission on the funding and disclosure inquiry.

**Senator Murray**—Let me respond. If I were retailing the story, as you put it, I think I would retail it on a wider basis than it ran.

**Mr DANBY**—The *West Australian* is pretty good for you, though, isn't it?

**Senator Murray**—Let me respond. I would quote to you from the article. Without quotes, it says:

Australian Democrats Senator Andrew Murray, a member of the joint standing committee inquiry into electoral funding, said the committee had to look into the allegation.

That does not sound too dramatic to me. It also says:

Senator Murray has called for political donations from foreigners to be banned because they cannot be monitored.

That is exactly what I have said to you today. Where else am I mentioned in this story?

**CHAIR**—Not enough, Senator Murray, I am sure.

**Senator Murray**—There is actually no other mention of me. I would have liked them to have talked about my record, had a photograph and referred to all my submissions in this wonderful article.

**Senator FAULKNER**—I would like to go back to the general issue of the \$2,500 per head fundraising dinner that we were canvassing. I qualify my comments by saying that I am not critical of any of this, and I am not hypercritical about it either. I want you to be clear on that. The situation here is in regard to a \$2,500 ticket per head. As you know, a corporate sponsor or someone can buy 10 tickets, a table of 10—that is \$25,000—and I think that happened in the case of the Democrats. Fair enough; absolutely fair enough. Again, I have no criticism at all. Articles at the time said that you can have 10 tables of 10 people and the party will raise a quarter of a million dollars. Again, I am not critical of that, and political parties do that. I suppose the interesting thing is—and this is my question to you—that it is possibly a change of direction or approach for the Australian Democrats, and I wonder if that is correct. In this committee we have talked before about 'cultural change' or the 'culture' of political parties, and I have been pretty sceptical about a lot of that stuff. Is that happening in your party because of the competitive stresses and changing political climate? I would be interested in your general view on that. It does seem a little different for the Democrats to engage in some of that activity, given that over the years they have been critical of some other political parties for similar fundraising techniques.

**Senator Murray**—There is no doubt that there are members of the Democrats who are purist on this stuff and who do not think that you should sully your hands with money whatsoever. I am talking to you about my private conversations with the party in their forums, but I have been a very strong advocate of—

**Senator FAULKNER**—No, I am asking for an official response.

**Senator Murray**—Let me give you my response. I have argued for a far more professional party which raises far more money. We are short of money as a party, and I do not think that we are professional enough, so I have actually been driving hard at that whilst at the same time advocating very strongly for disclosure. I think that what has happened is that the Democrat leadership and the party leadership have discovered that there are more doors open to them to raise money. They have always tried. I think they have failed in the past and they are more successful now. That really happened with Senator Meg Lees and it has accelerated with Senator Stott Despoja.

**Senator FAULKNER**—So what you are saying is that it does mean a cultural change, in effect, or a change at least?

**Senator Murray**—Yes, they are just more able to do what they always needed to do and failed to do.

**Senator MASON**—We are looking here to ensure that donations made to political parties are not inappropriate. In your submission and in the *Australian Quarterly* article, you mentioned that these issues—

**Senator Murray**—It was a good article, wasn't it?

**Senator MASON**—I did scan it, but it was great. You say, in effect, that if these issues are not addressed correctly it will have a corrosive effect on democracy. I have had a look at your recommendations. Very quickly—I know we do not have much time—I am wondering whether they are, firstly, practical or, secondly, enforceable. Mr Danby and indeed Senator Faulkner have raised issues regarding foreign donations, where legal devices can be used to transfer money and you can get around a potential prohibition on foreign donations. Recommendation 6.3 in your submission says that political parties receiving donations from clubs should be obliged to return these funds, unless full disclosure of the true donors' identities are made. What does that really mean? You can see why I ask the question; it is such a general statement. What are clubs? If they are unincorporated associations or if the Belconnen Labor Club wants to give \$10,000 to the Labor Party, how would that affect it, if at all? There are other questions, but I do not have the time to address them.

**Senator Murray**—Let me give you a response firstly on the practicality of some of these things. Recommendation 6.2 refers to methods of declaring from trusts. You will find the same methodology within the Export Market Development Grants Act. In other words, for another purpose that same system is followed. With respect to accumulated donations amounting to greater than the disclosed amount, we all know—and the AEC is able to deal with it and political parties are able to deal with it—that that is already a problem. For example, you have a sausage sizzle with 200 people who each give \$10. But that is not the issue. Take, for example,

something like the 500 Club in my own state of Western Australia, which has large numbers of corporate members. They come along there and each make a donation. It is perfectly easy to keep a register and to declare that. I think there is enough experience and ability in these matters to deal with it. As for the illegal side, if people want to be illegal you can never stop that. What we are trying to do here is prevent the official parties from participating in circumstances in which donors are concealed.

**Mr MELHAM**—The Democrats submission, on page 2, supports recommendations [96-3] and [96-4] from the 1996 *Funding and disclosure report*. The Democrats are supporting increasing the threshold level, which is totally opposite to what you have just been saying. What that will allow is a further concealing of the identity of some donors. Let me say on the record that I have been an advocate, within the Labor Party and in my time on this committee from 1990 to 1996, of keeping those threshold levels as low as possible because it helps full disclosure. Those recommendations that the Democrats are supporting do exactly the opposite of what you have just been complaining to Senator Mason about. They actually allow political parties' campaigns to further hide—

**Senator Murray**—You have not read it properly. It says that the Democrats believe that the disclosure level, whatever that may be, should be the same for individual candidates or groups. I agree with you that you should keep it as low as possible, but we cannot understand why you should have a level for a candidate and a different level for a group.

**Mr MELHAM**—Do I take it from that that what the Democrats would be proposing would be to bring the level down, not bring the current level up?

**Senator Murray**—I would certainly advocate bringing it down, but I would suggest to you that it is unlikely to happen, in which case I would advocate that candidates or groups should be the same. I cannot see why you would want to discriminate in favour of one versus the other.

**Mr MELHAM**—I accept that. But do you understand that if the Democrats go down that line it will allow for further hiding of donations from their current levels? I understand what you are saying—

**Senator Murray**—Yes, to a degree, for candidates, not for groups.

**Senator FERRIS**—I have a question related to a comment you made in your introductory remarks—which you sort of skated over in a way—in relation to the comment that you have just made about the difficulty of parties not having much money. How do you feel about public funding of political parties, as a principle?

**Senator Murray**—I very strongly support it. I have written quite a lot on that. I think political parties do a great deal of good in society. I think they are an essential component of democracy. I think they should be promoted and supported. I am a pluralist, obviously; I do not believe in a two-party system. I think they in fact advance the level, status, professionalism and content of politics. To do that you need to be able to publicise your policies and you need to get into power. To do that you need money. Public funding keeps you away from the temptation that is imposed on you by major donors.

**Senator FERRIS**—How do you think the public feel about political parties being publicly funded, following the One Nation fiasco with the money that was subsequently required to be repaid?

**Senator Murray**—I think they should be reassured. What you had there was a situation where they were paid a great deal of money, it had been improperly received and they were made to pay it back. I am referring to the Queensland issue. That is great. That is the law working as it should.

**Senator FERRIS**—How would you see our system working if we were to have public funding? How would you say it should be determined—on a basis of people's votes in the previous election? I know you are a pluralist but I imagine you would expect all political parties to have a degree of public funding. How would you determine the amounts?

**Senator Murray**—I personally have no difficulty with the current system. I think the threshold is necessary. You can argue about the height of it, but I think it is essential, and that is a feature of all publicly funded situations. I think the system we have at present works well.

**Senator FERRIS**—I notice that the AEC say they do not have the staff to audit. How would you feel about the ANAO doing an audit and publishing an audit in that way?

**Senator Murray**—I personally believe that the AEC should be authorised to accept an audit certificate, so that if parties themselves were audited and the AEC were happy with that auditor they could accept an audit certificate. I do not see why the AEC should always do the audit themselves. They should have the right, if they are worried, to go in and audit, but I do not think it should be automatic.

**Senator FERRIS**—You do not think it should necessarily go through the Audit Office?

**Senator Murray**—I do not think it needs to. But if the ANAO were involved on a performance audit I certainly would not resist that. It may not need to be a regular occurrence; it might need to be an occasional thing.

**CHAIR**—Thank you, Senator Murray, for appearing today. It was very good of you to do so.

Resolved (on motion by **Senator Mason**):

That this committee authorises publication, including publication on the parliamentary database, of the proof transcript of the evidence given before it at public hearing this day.