



COMMONWEALTH OF AUSTRALIA

Proof Committee Hansard

JOINT STANDING COMMITTEE ON ELECTORAL MATTERS

Reference: Conduct of the 2007 federal election and matters related thereto

TUESDAY, 11 NOVEMBER 2008

CANBERRA

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JOINT STANDING
COMMITTEE ON ELECTORAL MATTERS

Tuesday, 11 November 2008

Members: Mr Melham (*Chair*), Mr Morrison (*Deputy Chair*), Senators Birmingham, Bob Brown, Carol Brown, Hutchins and Ronaldson and Mr Danby, Mr Bruce Scott and Mr Sullivan

Members in attendance: Senators Bob Brown, Carol Brown, Hutchins and Ronaldson, and Mr Danby, Mr Melham and Mr Morrison

Terms of reference for the inquiry:

To inquire into and report on:

The conduct of the 2007 federal election and matters related thereto, including the Commonwealth Electoral (Above-the-Line Voting) Amendment Bill 2008, with particular reference to:

- a. the level of donations, income and expenditure received by political parties, associated entities and third parties at recent local, state and federal elections;
- b. the extent to which political fundraising and expenditure by third parties is conducted in concert with registered political parties;
- c. the take up, by whom and by what groups, of current provisions for tax deductibility for political donations as well as other groups with tax deductibility that involve themselves in the political process without disclosing that tax deductible funds are being used;
- d. the provisions of the Act that relate to disclosure and the activities of associated entities, and third parties not covered by the disclosure provisions;
- e. the appropriateness of current levels of public funding provided for political parties and candidates contesting federal elections;
- f. the availability and efficacy of 'free time' provided to political parties in relation to federal elections in print and electronic media at local, state and national levels;
- g. the public funding of candidates whose eligibility is questionable before, during and after an election with the view to ensuring public confidence in the public funding system;
- h. the relationship between public funding and campaign expenditure; and
- i. the harmonisation of state and federal laws that relate to political donations, gifts and expenditure.

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Committee met at 12.34 pm

CHAIR (Mr Melham)—I declare open this public hearing of the Joint Standing Committee on Electoral Matters inquiry into the conduct of the 2007 federal election. At today's hearing we will hear from the national secretary and the secretariat of the Australian Labor Party. Political parties are key stakeholders in the electoral system and it is important to get their feedback on the 2007 election and proposals for electoral reform. The committee has invited all major political parties to public hearings to expand on their submissions and respond to some of the suggestions that others have made about how the electoral system can be improved. The submission by the Australian Labor Party starts from the position that every entitled elector should be enrolled to vote and that every valid vote should be counted. The committee will be keen to explore what this principle means in practice and to see how the franchise can be made as accessible as possible while maintaining the integrity of the electoral roll and voting.

[12.35 pm]

BITAR, Mr Karl, National Secretary, ALP National Secretariat

HALLAJ, Mr Elias, Assistant National Secretary, ALP National Secretariat

MARTIN, Mr Nick, Assistant National Secretary, ALP National Secretariat

CHAIR—I now welcome representatives of the ALP National Secretariat. Although the committee does not require you to give evidence under oath I should advise you that these hearings are legal proceedings of the parliament and therefore have the same standing as proceedings of the respective houses. We have received a submission from you covering a range of matters. If you want to present additional material please feel free to do so. If you want to make an opening statement to the committee please do.

Mr Bitar—I will make a couple of introductory remarks and then take as many questions as possible. I want to start by thanking the members of the committee for giving us the time and the opportunity to address you today on the issues from the last federal election. Broadly speaking the ALP was happy with the conduct of the 2007 election. There are a number of issues that we have raised in the submission. There are just three which I will touch on briefly in my introduction before moving on to the questions.

The first issue is automatic enrolment, which the ALP put forward in its submission. Essentially, instead of having the archaic manual roll that we have had in the past and still have at present, at the age of 17 people would automatically go on the electoral roll. When they change address, that would also be automatically updated on the roll. At the moment the AEC use data matching from other departments to verify people's addresses. When they find that someone has changed their address they use that data from the other agencies to remove people from the roll. What we are suggesting is taking that one step further and allowing the AEC to use that data from other agencies to actually transfer people on the roll as well. I read most of the submissions and I think that moving to an electronic form of the roll would address a lot of the issues, controversy and argy-bargy between the parties when it comes to enrolment and maintaining the electoral roll.

The second issue I would like to mention very briefly is proof of identity. I am sure there will be questions about this. Briefly, looking at the experience of the 2007 campaign, I think allowing people with a drivers licence to enrol without a witness was something that was quite successful. The evidence shows that close to 90 per cent of people who got on the roll before the last election were people who had a drivers licence. Where the change did not work was in tier 2 and tier 3 where the witness requirements were toughened up and, I think, disenfranchised a lot of people. That is something I will talk about in detail but that is where I think reform is necessary. For people without a drivers licence, we suggest going back to the original system where anyone who was on the electoral roll could be a witness for someone's change of enrolment details.

On funding and disclosure reform—again, just touching on this briefly in my introduction—I would like to say upfront that personally I am an advocate for major reform in the area of

funding and disclosure. I welcome the federal government's review in the form of the green paper and I look forward to having further discussions with members of the committee in the future about the outcomes of the green paper once that is released. Thank you.

CHAIR—In terms of the audit, I will just say before I hand over to either the deputy chair or Senator Ronaldson—because the protocol in this instance is, I think, basically that they should take the first questions—

Mr Bitar—Sure.

CHAIR—With the automatic enrolment, you do not have a problem if forms—for instance, at the RTA, the Roads and Traffic Authority, or whatever—have an extra line where approval or consent is given for this to be used for enrolment purposes? Is a modification of some of these other forms so that what we have is just one extra line where those details can be used for the roll—in a consensual way, of course—one of the things that would assist automatic enrolment? Is that how you see it happening?

Mr Bitar—That would be an improvement on the current system, but I would suggest taking it one step further and having what is called an opt-out system for electoral enrolment, which means people do not really have a choice; once they turn 17 they automatically go on the electoral roll. This is what is being looked at in New South Wales, and it is quite interesting. The joint standing committee in New South Wales unanimously supported looking at this further and looking at what they are calling the 'smart roll' system, which means that as soon as people turn 17 they automatically go on the electoral roll.

CHAIR—Would you agree with a provision that said you could have a provisional enrolment at 16 years of age, which would make it easier, in effect, for electoral authorities in visiting schools, or is that too low in your mind?

Mr Bitar—I would support, and we would support, whatever makes it easier to get people on the roll and to maintain their address on the roll. That is why the 'smart roll' system is the best system. It would be an absolute revolution in terms of running elections in this country, and it would stop a lot of the argy-bargy in the debate about proof of ID and witnesses when someone gets on the roll, what the system is when someone changes address or moves and who witnesses those things, whether you do it online or by written form et cetera. Let us just make it simple. The government departments at both state and federal level have very good access to information in terms of motor registry information and board of studies information from schools for younger people. Then you have Centrelink information and Australian Taxation Office information. There is a wealth of agencies who have information about people's current address, and I suggest that we should be using that information to improve the electoral roll.

Senator RONALDSON—Mr Bitar, on a personal basis I congratulate you on your recent appointment.

Mr Bitar—Thank you.

Senator RONALDSON—Professionally, I hope you oversee numerous election losses! Anyway, congratulations on your appointment.

Mr Bitar—Thank you.

Senator RONALDSON—I will go first to part of your submission in relation to guidelines for declaration voting. You have referred to research conducted by the ALP. Is that research in a form that you can provide to the committee?

Mr Bitar—I am happy to provide the committee with a supplementary submission which goes into further detail and addresses those issues which are in that original submission, but, if I can just talk to that briefly, a lot of the issues raised in that research are very similar to the issues which are raised by the Australian Electoral Commission in their submission to the committee, which deals with provisional voters. This is specifically in terms of the requirement that when someone makes a provisional—

Senator RONALDSON—I understand that. I do not like to interrupt, but my question was in relation to research. What was the form of that research which came with the figure of 70,000 to 100,000 people being prevented from voting? What form did that research take?

Mr Bitar—Again, I am happy to provide that. It was based on figures from the Australian Electoral Commission, and that is why I was referring to the Australian Electoral Commission's submission to this inquiry—to try to draw to the attention of the committee the flaws in the current system. But I am more than happy to provide the committee, and I will provide the committee, with a supplementary submission which outlines that research.

CHAIR—So you use figures from the Australian Electoral Commission in your research.

Mr Bitar—That is right, yes.

CHAIR—You are researching public material.

Mr Bitar—Yes, absolutely. They are publicly available figures; it is not any internal party research that we did. This is based on public figures.

Senator RONALDSON—Mr Morrison has some further questions on that when he gets to his part. I will take you to the green paper and campaign finance reform in general. I am sure you are aware of a notice of motion that I lodged in the Senate back in March and that was supported by all parties bar the Labor Party, I must say, in relation to a holistic overview of this whole issue. It was a reference to this committee. I presume you would agree with me that we need to take a holistic approach to this, that the status quo is no longer appropriate and that we do need to make changes.

Mr Bitar—There is no doubt the status quo is not appropriate. I have heard all parties give in principle support to reform in this area, which is very encouraging. Personally—this is not the position of the FLP or the government—in New South Wales I made a submission to the upper house inquiry advocating very big reform in this area going to the extent of a ban on donations and replacing that with a system of full public funding. Again that is my personal view—that we need to explore major reform in this area. At the same time, I think the government is going about the process correctly. I think the first tranche of reforms that they put on the table in terms of reducing the disclosure threshold from over \$10,000 to \$1,500, or down to a much lower

level, was a right move. There were other good changes which I think should have been supported at the time, pending the outcome of the green paper. I think the green paper is a good way to start this reform process as well.

We are talking about big reform here. We are talking about reform which is going to pretty much change our democracy forever, and I do not think we should be rushing into it. That is why I am anticipating and looking forward to the green paper and having further discussions with all the parties post that process.

Senator RONALDSON—I agree that we should not be rushing into it. Indeed, I have made no public commentary in relation to the green paper which was originally slated for release in, I think, July, and with a second tranche in September-October. My very strong view is on the public record, and that is that this green paper needs to take as long as is required to get it done properly. I will, however, put to you the question that if, as we both agree, major reform is going to be needed, what do you say to allegations that the cherry picking out of tax deductibility and the disclosure was done for purely partisan political purposes by the government and any changes in that area should have formed part of a wider legislative package of change in relation to what you and I agree will need to be far-reaching and long-term reform?

Mr Bitar—Although I accept that we need major reform in this area, I think it would be wrong to just sit on our hands and accept that the system is broken at the moment but not make minor adjustments to the system until we potentially get this bigger package of reform at some point in the future.

Senator RONALDSON—Would you agree with me that these two reforms were not going to address community perceptions of inappropriate behaviour in Wollongong, for example? They have done nothing to address the perceptions that money buys influence. This is a real issue for the community, isn't it?

Mr Bitar—On the specifics of the reforms, it would be wrong to say that lowering the disclosure threshold from over \$10,000 to \$1,000 would not be welcomed by the community. We are talking about people who donate \$5,000 or \$2,000 disclosing, and that is something that would be welcomed by the community and an electorate which has become very cynical about the whole process. Their perception is that there is some form of a link between donations to parties and government or party decision making. So I accept that that is something that has to be addressed, but I think one part of addressing that is lowering that disclosure threshold as well. I think lowering it to \$1,000 is a good start.

Senator RONALDSON—In relation to those perceptions—and I am glad you have acknowledged that the community does treat these matters with great caution and great fear—you have been happy to support the government in relation to tax deductibility and disclosure thresholds, but you have done absolutely nothing, for example, that would stop the one-year anniversary party, which will probably raise a million dollars according to press reports. You have the Prime Minister on one hand saying, 'We don't want democracy for sale,' but the ALP is organising an anniversary party that will raise a million dollars, and you seem quite happy to have delays in the context of major reform proposals and give plenty of time for that to occur—that is, with the green paper—but that still allows these sorts of parties, celebrations and fundraisers to go ahead. There is still a perception in the community that money buys influence,

but you have been happy to cherry-pick out a couple of areas of reform that would appear to be more targeted to your political opponents than to any part of genuine reform in isolation.

Mr Bitar—I agree with your sentiments earlier when you said that you agree that this should not be rushed, that we are talking about major reform and that no-one should rush into it. I do support that. In the meantime, while the current system exists, political parties have to function. You have to run an office with so many staff and, at the same time, you have by-elections to run and, in some instances, debts to pay off from previous campaigns et cetera. I do not think the Liberal Party or the other political parties have stopped fundraising pending the outcome of this reform package, but I am very encouraged that everyone is talking positively and giving in-principle support to major reform in this area.

Senator RONALDSON—Mr Bitar, with the greatest respect, you have done nothing that will stop the major level of support for the ALP, which of course is the trade union movement. There is nothing in any of these reforms to date that would stop the potential influence of the union movement, that would in any way remove union donations, but you have been very happy to support some cherry-picked items and aspects of reform, which I put to you are designed to attack your political opponents while the ALP is left pretty well free to run around and do whatever it wants to do with its major fundraising base, which is the trade union movement. Wouldn't it have been better to have all these issues, all these aspects, put together and avoid public commentary about partisan politics in relation to reform, which I think the ALP has left itself wide open to?

Mr Bitar—I think all those issues are on the table with the green paper. I do not think anyone is ruling out anything at this stage in terms of the reforms that we are looking at. You specifically raised the issue of donations from unions or the relationship with unions. Again, in terms of the green paper, everything is on the table. I would not want to refer to the joint standing committee in New South Wales, but again this is a personal view. I said to the joint standing committee in New South Wales that we are open to look at anything. Everything is on the table at the moment. We should be looking at everything as part of the green paper process.

Mr MORRISON—Could I follow up on that. Also, congratulations on your appointment, Karl. In your submission you support the urgency of moving forward with some of the measures that have already gone through the parliament. Senator Ronaldson has been highlighting those. I am interested to know where you see the urgency of particularly the tax deductibility measure, which was in the first bill to come through. Apparently this was the most important thing that had to be done on campaign finance reform, and it was in the first bill introduced. That is a bill that denies tax deductibility for individuals but yet preserves tax deductibility for lobbyists—the lobbyists who I assume will be going to the anniversary function—and it maintains the preferential tax status for the union movement. So the most important thing that had to be done following the election was to remove tax deductibility which preserves tax deductibility for lobbyists. I am interested to know why you think that is such an urgent reform that could not wait.

CHAIR—Before you answer that—and you will be able to answer it—this committee has already dealt with that bill and the other bill. We are actually inquiring into the 2007—

Mr MORRISON—Well, no—

CHAIR—Let me just make a statement. The question will be answered, but I am just saying to you that there is limited time. You can use the time in whichever way you want. Senator Brown will get the call next and then Mr Danby will get the call. If you want to use the time, use it, but we have limited time.

Senator RONALDSON—I just want to finish my questions.

CHAIR—Yes, of course. I am not trying to cut you off; I am just saying to you that you can do whatever you want but that enough people are here now and others have told me they want the call. That is all I am saying to you.

Mr Bitar—Just to answer the question, it is ALP policy—something that we took to the last election—and I think the figures show that bringing that policy in would save \$31.4 million on the forward estimates, which is quite significant.

Mr MORRISON—Those figures are in dispute, by the way.

Mr Bitar—I am just reporting on the figures before me—\$31.4 million on the forward estimates, which is quite significant.

Mr MORRISON—Those figures, actually, have been completely undermined. But my point was: why do you think it is so urgent to maintain tax deductibility for lobbyists? Your submission says that you support those reforms as urgent reforms.

Mr Bitar—Sure.

Mr MORRISON—They maintain tax deductibility for lobbyists but deny it to others. What is that such an urgent reform?

Mr Bitar—No, the submission specifically deals with that one issue, and that is the issue that was put before the parliament. The reason we pushed that so heavily at the time was that it was party policy. It does favour the wealthy; that is undisputed.

Mr MORRISON—So you confirm that that was an urgent reform. I might let it go.

Mr Bitar—It saves \$31.4 million on the forward estimates.

Senator RONALDSON—I do note that the submission refers to the green paper and talks of the accountability and transparency of the funding and disclosure systems.

CHAIR—I am not trying to stop you, Senator Ronaldson.

Senator RONALDSON—I do not think we are wandering outside the brief provided, effectively, by the submission.

CHAIR—I have not said that.

Senator RONALDSON—Mr Bitar, in relation to the green paper itself, what input have you had into that by way of submission or verbal communication about what the ALP believes would be appropriate to be discussed in that paper?

Mr Bitar—The green paper is in the hands of the government. We are waiting for the green paper to come down, and then we will have some input at that point.

Senator RONALDSON—You said before that there was a draft of the green paper.

Mr Bitar—No, I did not say that at all. I said I am looking forward to when the green paper comes out so that we can have discussions. Hopefully the release of the green paper will be the starting point for talk about major reform in this area.

Senator RONALDSON—So you are telling the committee that the national office has had no input at all into the preparation of the green paper.

Mr Bitar—Yes, the green paper has been handled by the government.

Senator RONALDSON—The Labor state governments, I presume, have had input, because they have been briefed, and I think there was a meeting—wasn't there?—with the minister and the state premiers, or certainly their representatives, some time ago.

Mr Bitar—Again, I am not sure.

Senator HUTCHINS—I raise a point of order, Chair. I am not sure that the witness can answer on what state Labor governments, premiers or ministers in charge of this area can answer. He can only answer for the body he represents, which is the national secretariat of the Labor Party.

Senator RONALDSON—Oh, come on, Steve. You are not serious.

Mr Bitar—Recently appointed.

Senator RONALDSON—Are you pleading principle? I am sure, from what I have heard of Mr Bitar, that he would have been across this very, very quickly.

CHAIR—You make assumptions.

Senator RONALDSON—So if you are pleading principle then I disagree with you.

CHAIR—The point is that it is not in his control and it is not directly of his organisation. If it helps the committee, I understand that the green paper—because I asked a question yesterday as to how long it would be; I am happy to say that—is going through the consultation process with state and territory governments at the moment. That is where it is, so no-one is trying to hide the fact, but it is government to government; it is not government to party.

Senator HUTCHINS—My point was that you should ask the chair.

Senator RONALDSON—There is nothing to hide, because the minister himself said he was meeting with the state premiers.

CHAIR—On the implication that somehow the national secretary of the Labor Party is driving it, you have your answer. Keep going.

Senator HUTCHINS—If you knew the answer, why did you ask it?

Senator RONALDSON—That was not the implication at all. I asked if there had been an involvement.

CHAIR—Well, there has not. Ask your next question.

Senator RONALDSON—I did not mention whether it was being driven by the national secretary. I will ask a further question: are you aware of whether there has been any discussion between the state governments and the state arms of the Australian Labor Party—the state secretaries—in relation to the green paper process? The state governments have obviously been asked for input. Has there been any discussion at all with the state divisions or state secretaries of the Labor Party via the Labor premiers in relation to the green paper process?

Mr Bitar—Again, while I was the secretary of the New South Wales branch of the Labor Party I had no input into the process. I understand it is being handled at the federal government level. I hope that answers your question.

Senator RONALDSON—It is being handled at a federal government level—and I will finish up on this—but obviously there are discussions with the states and presumably a draft document has been circulated to the state governments for their input as part of the—

Mr Bitar—While I was General Secretary of the New South Wales Labor Party, we were not part of that.

Senator RONALDSON—I might be terribly wrong—if I am, I humbly apologise—but my clear recollection is that the minister himself or the Prime Minister was meeting with the state premiers some months ago in relation to the green paper process.

Mr Bitar—You are talking about the organisation—the New South Wales ALP—as opposed to the New South Wales government.

Senator RONALDSON—Yes.

Mr Bitar—There might have been discussions between the state and federal governments. I am just saying that, as the former party secretary the New South Wales Labor Party, at the time I was not involved in any discussions about the green paper.

CHAIR—It is government to government.

Senator RONALDSON—Thank you, Mr Bitar.

Senator BOB BROWN—Gentlemen, it is good to see you. I will firstly ask about the proposal for above-the-line preference voting in the Senate. Do you have an opinion on that?

Mr Bitar—All I can say is that on most of these matters I tend to start from: the simpler the system, the better the system when it comes to voting and when it comes to funding and disclosure. When it comes to most of these electoral matters you want to keep the systems as simple as possible, and that is why I am an advocate for a ‘1’ above the line, just because, when you look at the figures, that is what most people choose to do, as opposed to going below the line. I worry that having preferential voting above the line will further complicate it. Without looking at it in detail—

Senator BOB BROWN—You would agree that you get perverse results when voters’ intentions are thwarted because the preferences put in by the parties are not what is expected on occasion by the voters?

Mr Bitar—Again, I just think that the more complex the system the higher the informal vote rate. That is what history shows; that is what the system used to show. The simpler the system, the more votes will be counted. That is pretty much—

Senator BOB BROWN—Do you think it is preferable that parties set out the preferences of voters than voters doing it themselves? I know the argument you are putting, but I am just asking about that particular issue. Do you think it is preferable that a voter leaves their preferencing to the party they choose in the No. 1 box?

Mr Bitar—No—the voters always have the option of going below the line at any point, should they choose to. Voters have that option. Voters do not have to go above the line and put a ‘1’ if they want to allocate their preferences, and a lot of people exercise that right and go below the line.

Senator BOB BROWN—They have either a complicated option below the line or an extremely simple option above the line. What about a middle-ground option where you can preference the parties above the line in the order of your choice? I am always in favour of the middle ground. That is why I explore this.

Mr Bitar—That is a fair enough question. It is something that we have looked at in the past, but, again, if you give people a third option you complicate things further and you will have an increase in the informal vote.

Senator BOB BROWN—What about not giving them the third option and simply saying: vote in order of your preference above the line or vote below the line?

Mr Bitar—Hypothetically speaking, if that reform were brought in, I think you would find an enormous increase in the informal rate for a couple of elections after that reform, because most people are just used to voting with a ‘1’ above the line when it comes to the Senate vote. We had a similar experience with council elections in New South Wales—not in the last round but the round before that, about five years ago—where there was a system of above-the-line preferential voting. There was a very high informal vote, but there was also extreme confusion both amongst the parties and amongst the voters when it came to implementing that.

Senator BOB BROWN—What happened in this election?

Mr Bitar—There was a reform to make sure that that was done away with. It went one step further as well, which I admit was a mistake. In the how-to-votes, you could not just recommend a 1; you also had to have a 1 and a 2 above the line in the how-to-vote.

Senator BOB BROWN—Let me ask this question, because you will be familiar, as I am, with the system for arranging preferences with other parties in the Senate. Is it done on the basis of most like parties, or is it done on the basis of political advantage?

Mr Bitar—I think most of the time you will find it is based on what people's beliefs are. I do not think you will find often that people sit down and negotiate with people they totally disagree with on core ideological or policy issues.

Senator BOB BROWN—Your expertise will be with the Labor Party. It is sounding like your experience is different from mine. The Labor Party looks at the other parties to see which is the most like and then puts them in order on their preference ticket.

Mr Bitar—I am sorry; I am not saying that. Obviously the parties sit down and talk and negotiate preferences together. Nearly all the parties do that. The minor parties and the major parties sit down and talk about preferences. What I am saying is that I have not seen an instance where the Labor Party will sit there and go, 'Look, here's an extreme right, racist party who we are going to put ahead of someone who we have fundamental similarities with because they are going to get a higher vote or because that will advantage us more.'

Senator BOB BROWN—What about the example in Victoria of the 2004 election where Labor put Family First in front of the Greens? Was that done on an ideological basis? I am using that example because it is a real example which led to the election of a Family First senator, Steven Fielding, on a two per cent vote, and the non-election of a Green on nine per cent—David Risstrom—even though, I think you and I would both argue, the differences between Labor and Family First are greater than those between Labor and the Greens, or they were at the time.

Mr Bitar—I am not familiar with the exact example that you have mentioned—

Senator BOB BROWN—Really?

Mr Bitar—No. I have heard of it, but I was not intimately involved, so I cannot say on what basis the preferences were negotiated. What I can say is: the system is not perfect. Anyone who is going to stand here and say, 'The Senate voting system is perfect' would be kidding you. I am not going to say it is perfect. Maybe it is something that this committee should look at as part of its deliberations.

Senator BOB BROWN—It is. The preferential system allows the voters to choose their own preferences above the line.

Mr Bitar—Sure.

Senator BOB BROWN—Would you be accepting of that if it was optional preferential above the line? In other words, a person puts 1 above the line and leaves it at that, their vote is counted.

Mr Bitar—Again, I would have to look at that in further detail.

Senator BOB BROWN—Would you do that?

Mr Bitar—I would look at anything the committee put forward, absolutely.

Senator BOB BROWN—If you would look at that and give a considered view back to the committee, that would be very helpful.

Mr Bitar—Sure.

Senator BOB BROWN—Thank you. I have a couple of other questions. The automatic enrolment has got some attraction for 17-year-olds. Using the databases that are available, that you enumerated earlier, what proportion of 17-year-olds would not be gathered in, do you think? Do you have any information on that?

Mr Bitar—No, I do not have specific information. Just to clarify the question: if we did have an automatic enrolment system, what proportion of 17-year-olds—

Senator BOB BROWN—What proportion would be missed—would not be gathered up by it?

Mr Bitar—Without having specific information, the anecdotal stuff, just from talking to people who are involved in the process in New South Wales, they are pretty confident that the system would pick up most 17-year-olds. You would not get 100 per cent enrolment. At the moment about 93 per cent of the population are on the roll. You would probably go to 98 or 99 per cent potentially. We are talking about a major increase, not just in young voters. A lot of people do not tend to update their details—people from individual backgrounds, transient people, people in caravan parks.

Senator BOB BROWN—We have had some submissions for provisional voting for 16- and 17-year-olds. If you are on the roll you can vote, but if you are not on the roll you do not have to vote. Have you got an opinion on that proposal?

Mr Bitar—No, I have not looked at that proposal specifically. I am happy to get back to the committee about that as well.

Senator BOB BROWN—Thank you—that would be good. Regarding misleading advertising, I see you refer to the events in Lindsay and I agree that there is not sufficient protection against misleading advertising or downright lies being put out in election material at election time. Would you agree with the electoral office or some other entity having a function in vetting out directly and irrefutably misleading information? If not, how would you do it?

Mr Bitar—I think we have to be extremely careful in this area. It is something we have put on the table and I think it is something that is worth reviewing. There is definitely room for improvement in terms of the current system and the penalties for misleading advertising as well.

Senator BOB BROWN—But there is no penalty for misleading advertising except if you mislead a voter in how they can vote.

Mr Bitar—That is right.

Senator BOB BROWN—Anything else does.

Mr Bitar—You are right and that is why we have flagged in the submission that we have put on the table that we think it is something that the committee should examine. I want to say that I do not think there is a simple answer. I cannot sit here and say, ‘This is the solution.’ The last thing you want during a campaign, when you have thousands of pamphlets and brochures going out, is to have the AEC or somebody bogged down with every brochure that comes out saying, ‘So and so supported the dredging of this river.’ I am just saying we have to be very careful. I think it is worth consideration. It is something that has to be looked at. We need some suggestions and we need reforms in this area. I would not warn the committee. All I would suggest is: let us not go too far.

Senator BOB BROWN—Certainly any submission about how far we should go and how it would be done would be a plan to, at least in a minimal way, stop misleading advertising, and it would be very welcome because there is no hedge against misleading advertising currently in election campaigns except in how people are going to cast their vote. The final thing I wanted to ask about was the Canadian system of having public funding and restricting donations to political parties by individuals up to the amount of \$1,000. Would you favour that?

Mr Bitar—Again, all I can say is that I cannot speak on behalf of the FPLP or the government at this stage. There is a process, and it is a good process, that they have put into place—

Senator BOB BROWN—I am just asking for your—

Mr Bitar—If you are asking for my personal view, I favour major reform in the area and I am open to any suggestion that improves on the current system where—

Senator BOB BROWN—So are we.

Mr Bitar—That is a good thing, but I do not have a paper that I am personally putting forward from Karl Bitar. I am here representing the party, so I do not want to go into detail of what I prefer personally but I do want major reform in this area. I think the Greens, in their submissions, have put on the table some suggestions which are definitely worth looking at. There are others which I think may be impractical. But as a part of this process we should be open to any suggestions. I know there are constitutional and practical issues involved here. I am aware that the New South Wales government just brought down a paper by a Sydney university academic, I think, that says there are a number of constitutional issues when it comes to limiting donations, expenditure and third party expenditure as well. But I think we should not use that as an excuse not to reform.

Senator BOB BROWN—I agree.

Mr Bitar—I think we should be looking at the practical problems and issues. I think we should be looking at the constitutional issues and problems and saying that these are issues we have to address. These are not an excuse to not reform the system.

Mr DANBY—Mr Bitar, I want to congratulate you and the Labor Party on the submission. Not surprisingly, I agree with most of the things that you have included there—very passionately too—since these are some of the issues that we have raised in the years before the elections in numerous minority reports of this committee, particularly as they affected the previous government's changes at the last election. I think the idea of automatic enrolment is cutting to the chase. For years we have debated in this committee about the Electoral Commission spending millions of dollars to try to encourage people to get on the roll et cetera. Let us change the system and see if we can do it better and have the Electoral Commission spend money on things that it was meant to rather than advertising on TV.

Your prepoll voting suggestions are very interesting. I have not thought about them as much as you obviously have. I want to get you on the record about one of the interesting ideas of the Liberal party, which actually sounds like quite a positive idea, that prepoll voting for people in home divisions should be counted on the night. I do not see any objection to that. If you do not have an answer at the moment, would you like to think about that and come back to the committee?

Mr Bitar—No, that is okay. On the prepoll issue, the AEC submission was very good. It gives a number of options. It says that prepoll and before-election voting in general is definitely on the rise in Australia. That is not because of public holidays et cetera; it is a trend that is increasing and it is something that we have to look at. In relation to your question, I do not see a reason why prepoll cannot be treated as an ordinary vote. At the moment it is a declaration vote—

Mr DANBY—Particularly in home divisions. It is a suggestion of the Liberal Party but it seems to be a quite good suggestion.

Mr Bitar—We are happy to look at that and come back to the committee.

Mr DANBY—I would like to ask you about early closing of the rolls. Are you proposing going back to the system that we had prior to the last election—at every election between 1993 and the last election—where people would have basically five working days in which to put themselves on the roll after the election is announced?

Mr Bitar—Absolutely. I think the roll closure changes before the last election definitely disadvantaged a lot of people. Some people have pointed to the evidence which shows that enrolment increased despite that change. It is interesting: they always say 'despite that change', so they almost concede that it was designed to reduce the number of people getting on the roll in the last minute. All the research that we have done shows that people switch on after the election is called. You can spend a fortune on advertising before the election and people do not pay much attention to it. As soon as the election is called, people really focus on that date and on the election. That is why historically you have had such huge spikes from when the election is called

until the close of the rolls. Again, people point to the evidence from the last election and say, 'No, there was still a massive increase in enrolment.'

I would like to draw to the attention of the committee the massive amount of money that the AEC spent on education campaigns before the election was called. There was a humongous amount of money spent on that. Not only did they spend money but the ALP, the Greens and groups such as GetUp! ran a lot of grassroots campaigns and spent a lot of their resources and a lot of their money focused specifically on increasing the number of people on the roll, because they were aware of this sort of regressive change when it comes to the closure of the rolls.

Mr DANBY—I do not think we have the final evidence on the size of the growth of the roll. It is all very well to say that the number of people who were enrolled grew, but we are waiting to see the evidence on that before we see how successful the AEC advertising campaign was. I think that is possibly why the idea of automatic enrolment will help. Certainly the changes that you have advocated on early closure of the roll and declaration voting will help with that.

I turn to declaration voting. On page 3 of your submission you say there was a very large number of people who were prevented in voting in the 2007 election. Do you think the simple way of handling that would be to reintroduce the provisions that we had at every other election apart from the last election, where people inside a seat were given a rather simpler way of changing their address in a provisional way, in a declaration way, at the polling booth?

Mr Bitar—Absolutely.

Mr DANBY—If we reintroduced schedule 3—I think that is it—of the former act, that would solve the problem of people making declaration votes in the seat—

Mr Bitar—Yes, it would. On this matter I want to draw to the attention of the committee page 49 of the AEC submission which goes into detail on how disenfranchised people were by that proof-of-identity change to provisional voters, where they had to provide proof of ID on the day they were voting or within seven days of voting. I will read this quickly. The AEC said:

In the AEC's view, it is indefensible that voters may be put to significant inconvenience, and possibly disenfranchised, purely as a result of polling official error.

What happened is that if you showed up to vote and the polling official, who had spent five hours crossing people's names off the roll, accidentally could not find your name then for that reason you had to show them proof of ID or come back within seven days to provide proof of ID. That was the first problem.

Mr DANBY—They had to come back to the Electoral Commission local office.

Mr Bitar—That is right.

Mr DANBY—So you might have voted on one side of the city and have to go almost to the other side of Brisbane, Melbourne or Sydney to actually prove who you were.

Mr Bitar—That is right, within seven days. The second point is:

In addition, a process that prevents the counting of a vote cast by a person whose identity can reasonably be confirmed by reference to AEC records does not follow the established electoral principle that the elector's franchise should be protected wherever possible.

Again, if someone's signature matched their signature on the enrolment form, under the current legislation the AEC still does not have the ability to include those votes unless someone shows up with proof of identity within the seven days.

Mr MORRISON—That is the divisional AEC office, by the way, not the head office of the AEC.

Mr Bitar—That is right.

Mr MORRISON—It would be within the electorate they lived in.

Mr Bitar—That is right.

Mr DANBY—There are many, many electorates that do not have their own offices that are situated in central cities; the offices may be amalgamated and are often right on the other side of town, so it is a considerable difficulty even within electorates. My own electorate, for instance, has no AEC office, and people actually have to go into downtown Melbourne to do this proof of identity. For people who live out in Carnegie, it is probably an hour's tram ride in order to go and prove who they are when they are quite genuine voters. It is a democratically outrageous prospect; as the AEC quite correctly says, it is indefensible. The last thing I want to deal with is your thing on provisional voting. In your submission you indicate concerns with a drop in the number of provisional votes by seat. I suppose part of it goes to the declaration issue that you just talked about, but are you aware that in evidence to this inquiry the Democratic Audit of Australia suggested that perhaps up to four seats changed hands because of the change in provisional voting? They were all lost by the Labor Party, I might say. Do the Labor Party's own research and your own experience give you the feeling that the evidence produced by Professor Costar and his well-known organisation has some truth to it?

Mr Bitar—Yes.

Mr DANBY—So, if the election had been a matter of four seats, the current government could have lost it because of the Liberal Party's little-noticed change to the provisional voting system prior to the last election.

Mr Bitar—Yes, there is no doubt. I keep referring back to the AEC's submission just because they back it with the evidence and the stats—in relation to the proof of ID, at least. I refer you to their recommendations in that area, which are quite clear. Their language is quite strong in this area.

Mr DANBY—What page is it on?

Mr Bitar—When you look at provisional voters in particular, it is page 49, point 4.6.11, which it is worthwhile to read.

Mr DANBY—Thank you.

CHAIR—Before I pass to Mr Morrison, I just want your view on prepoll voting—whether you would support a relaxation in prepoll voting to allow anyone who is outside their electorate on the day of the election to have a prepoll or postal vote. At the moment, if you are interstate, you have to be interstate working. If you are within the state and there is a polling booth within a reasonable distance, you are not able to have a prepoll or postal vote. Would you support a move like that?

Mr Bitar—Again, I would support a move like that because, again, it gives people more options to get their vote in and get their vote counted. Look at things like Sydney Town Hall. Thousands of people work in the CBD every day, but they cannot vote by prepoll; they have to wait till the day and then vote absentee. That would solve an issue like that, or help.

Mr MORRISON—Earlier you referred to the research in the AEC's submission. I appreciate you clarifying that. In that submission, which has already been referred to today, there was a comparison on page 8 which showed that the number of people who missed out on a vote at the 2007 election was 100,370, but the number of people who missed out at the 2004 election was 168,394. On the next page of that submission it says that the estimated enrolled population at the close of rolls in 2004 was 91.5 per cent and in 2007 it was up to 92.3 per cent. In the course of this inquiry—and your own submission makes this point as well—there is some suggestion that somehow people missed out, but all the evidence provided by the AEC indicates that actually more people were enrolled and fewer people missed out. There are a range of reasons for that—in particular, the AEC's very excellent campaign over the course of the year leading up to the election. I am yet to see the evidence which supports the view that people missed out.

Mr Bitar—Again, the massive campaign run by the AEC—

Mr MORRISON—It was a good campaign.

Mr Bitar—A good campaign to get people on the roll—a very good and very successful campaign to get people on the roll.

Mr MORRISON—Well funded by the previous government. And?

Mr Bitar—My point is that it is a reflection of the campaign. I think the argument you are trying to make is that the change in the close of the rolls had no effect on people enrolling to vote.

Mr MORRISON—No, my argument is that it has been put to this committee that people missed out, and the evidence provided by the AEC indicates that the percentage of the potentially enrolled population was the highest it has been. It was up on the previous election and fewer people missed out.

Mr Bitar—Sure.

Mr MORRISON—You put forward a submission which says that people missed out. I have not seen anything in your submission which backs that up. I am wondering what evidence you have to back that up.

Mr Bitar—You have referred to the increase in the percentage of people who were on the roll. Again, the AEC did advertising and the ALP did advertising. If you look at the number of transcripts of MPs, opposition leaders and shadow ministers who kept saying, ‘Get on the roll, get on the role,’ it was amazing.

Mr MORRISON—Good.

Mr Bitar—GetUp! ran a grassroots campaign specifically targeting people getting on the roll. Again, the main period when people switch on is when the election is called. In 2007, as we all know, there was a longer than usual election campaign. That is why the period between the election being called and the close of rolls was similar to 2004, which explains why people had more time to actually get on the roll. That is not necessarily the case all the time. There could be instances when an election is called and the rolls close that day—the day when—

Mr MORRISON—But we are talking about the 2007 election.

Mr Bitar—That is right. Again—

Mr MORRISON—So where is the evidence to suggest that people missed out, based on work you have done, to support the claim in your submission?

Mr Bitar—The evidence is in the AEC’s report as well—that there were 100,000—

Mr MORRISON—Which is 60,000 fewer than last time.

Mr Bitar—Yes, but how does that demonstrate that people did not miss out? That demonstrates that people did miss out.

Mr MORRISON—Someone is always going to miss out when you have a deadline. The point is that the deadline that was imposed—

CHAIR—The deadline was a week later and fewer missed out.

Mr MORRISON—The deadline this time imposed no greater burden based on the number of people who missed out in previous elections, because in previous elections over 65,000 more people missed out. There was an excellent campaign run by the AEC, and, when you look at the suite of measures that were put in place by the previous government, that ensured that our level of enrolment was higher than it had ever been. So where is the case to suggest that people missed out?

Mr Bitar—The case is made. People did miss out. It is a fact; it is a reality.

Mr MORRISON—So, if five people missed out, it would mean that the policy is a failure?

Mr Bitar—No, it means that people missed out, and that is something that we should look at and address.

Mr MORRISON—Your submission and other submissions have suggested that the level of people missing out was greater, it was worse, on this occasion—that there was a greater error in the process. Where is the evidence to support that?

Mr Bitar—Just on that, there would have been had it not been for—

Mr MORRISON—Have you got a crystal ball?

CHAIR—Hang on—let him answer.

Mr Bitar—It would have been had it not been for the amount of resources that went into that. Almost everyone agrees that the reason there was a big spike in enrolment months out from the election was because of the advertising campaign.

Mr MORRISON—The AEC should always do that, surely.

Mr Bitar—You would be best off having a system where the AEC does that but at the same time give people the maximum opportunity available to get on the roll. Why disenfranchise people? If the AEC can get people on the roll, why cut it short? If there is a case—

Mr MORRISON—If we are going off the performance measures for an enrolment process leading to an election campaign, surely the most important performance measure is that the percentage of people who are entitled to be on the roll and are on the roll is maximised. At the last election it was higher than it had ever been and it was certainly up on the previous election. But we can move on from that point because we clearly have a difference of view. I simply make the point that I have still not seen any evidence to support the case that it was worse.

Your predecessor, Tim Gartrell, had a very good piece in the *Sun-Herald* a few weeks ago in which he expressed some views that have been expressed around this committee from both sides. That largely dealt with the issue of expenditure caps and how you could deal with a problem from a demand side rather than just a supply side, in terms of donations. A key issue that has been raised in the course of this inquiry is how you define ‘expenditure’ for the purpose of setting expenditure caps. You and I have both run campaigns and are pretty aware of the expenditure that goes into campaigns. What I am interested to know is how we deal with in-kind contributions. I would be interested to know: at the last election, what was the value of in-kind contributions to the ALP from the union movement in terms of provision of staff, vehicles, other labour, materials and things of that nature which materially assisted the campaign? What was the value of that in-kind support that was provided directly to campaigns?

Mr Bitar—On the in-kind donation issue, anything that the party had to declare was declared, so anything which legally we had to declare was declared. We have been open and transparent. Everything will be in the party’s return. You are asking about specific donations, aren’t you? You are asking about donations in kind and otherwise?

Mr MORRISON—In kind. I am trying to understand what was the nature of in-kind contributions from the union movement to the ALP at the last election. What was provided to local campaigns, what was the nature of that provision—was it cars, was it staff?

Mr Bitar—Again, when then returns come out, that will be there in public for everyone to see.

Mr MORRISON—Okay, but this is a public inquiry today and you are here today, and I am asking you questions.

CHAIR—Let us be clear. The Labor Party has complied with the legislation as it currently is. That is the position, isn't it, Mr Bitar? Everything that is required to be disclosed—

Mr MORRISON—If Mr Bitar wants to plead the fifth and not answer—

CHAIR—It is not a question of the fifth. I know for a fact that Mr Bitar does not know about the volunteer workers who were in the Banks campaign, that do not have to be declared, or the people who took sandwiches around on election day, who do not have to be declared. Let's get realistic.

Mr MORRISON—I wonder if the witness can answer the question. He was very involved in the last campaign in New South Wales, and I know he will be very aware of what was happening in his local campaigns and the level of union support that was provided. If he is unable to put a value on it, I am interested to know the form of that assistance from the union movement to assist those local campaigns in an in-kind capacity.

Mr Bitar—Again, when it comes to matters of donations, it will all be in the ALP return, which has already been submitted—

Mr MORRISON—So you are not prepared to answer me today?

Mr Bitar—Again, it is all going to be in the return and will be public for everyone to see.

Mr MORRISON—Let me put more specific questions then. Were union-paid staff made available to assist local campaigns for ALP candidates at the last election?

Mr Bitar—Again, to answer your question: if it is something that should be declared, it will be in the ALP return.

Mr MORRISON—That was not my question. Were union-paid staff available and made available to work for local ALP candidates at the last federal election?

Mr Bitar—Again, if they were, it will be in our return.

Mr MORRISON—If they were working they will be in your return?

CHAIR—We are not going to have a cute point. Let us be clear. We are all adults.

Mr MORRISON—It is not a cute point at all, Mr Chair. We want to try to define what is election expenditure, if we are to consider an election expenditure cap. That election expenditure cap, I would argue, would need to include things like in-kind contributions. I would like to understand whether vehicles were provided, whether union staff were provided, were paid and were available to work full-time on those campaigns. If it assists, I understand there was someone who was a union official driving around behind Gary Nairn for at least a year in a union car. I need to know whether that was arranged and supported by the ALP.

Mr Bitar—Again, when it comes to reforming the system and looking at expenditure caps—and I know you have raised Mr Gartrell's article in the *Herald*—I do think the expenditure cap is something that should be looked at, and of course the in-kind donation issue should be looked at as a part of that. Of course it should. You have the state—

Mr MORRISON—So what is the answer?

Senator RONALDSON—What is the answer to Mr Morrison's question?

Mr Bitar—I thought that what you were trying to work out was whether this should be addressed.

Mr MORRISON—No, let me be really clear. Were union staff who were paid by unions made available to work on local campaigns for ALP candidates at the last election?

Mr Bitar—Again, when it comes to the answer to your question, if it is an in-kind donation which should under the current legislation be declared then it will be declared.

Mr MORRISON—I do not see what the problem is with simply answering the question now rather than seeking to avoid the answer.

Mr Bitar—But I am answering your question.

CHAIR—Seeking to avoid?

Mr MORRISON—He is. He is not answering the question, Chair. It is a fairly clear question.

CHAIR—No, you just do not like the answer.

Mr Bitar—That is my answer.

Mr MORRISON—There is no answer. It sounds like a lot of the answers we get in question time.

CHAIR—As I understand it, the forms have been lodged. It is some time in November that these figures—

Mr MORRISON—This is not the AEC; this is the Joint Standing Committee on Electoral Matters. The witness is here, I have asked him a question and he has decided not to answer the question, so I will move on to my next question.

Senator HUTCHINS—Nonsense! You did not like the answer.

Mr MORRISON—He has refused to acknowledge the level of support by the union movement to the ALP candidates.

CHAIR—You could tell us about the Millennium Foundation and a lot of other things as well.

Mr MORRISON—I am happy to tell you about the Millennium Foundation, but maybe I could continue with my questions, as we are running out of time.

CHAIR—Let me ask this of Mr Bitar: are you in favour of the suggestions that these disclosure periods should be brought forward and that with donations, both in-kind and other—I think as suggested by the government in the bill that we just examined—those time frames should be compressed so that we would have this information a lot sooner after an election? I am asking for your own personal view.

Mr MORRISON—I do not see the relation to my question—

CHAIR—There is a relationship.

Mr MORRISON—but, if you want to take the questions back, that is fine.

CHAIR—I just do not want the wrong inference that this is being hidden or avoided.

Mr MORRISON—I have not got an answer to the question. It is a simple question.

Senator HUTCHINS—No, you have not got the answer you like; that is what happened.

Mr Bitar—Absolutely; the more disclosure the better, and the more frequent the disclosure the better as well.

Senator RONALDSON—So why don't you disclose today an answer to the question by my colleague Mr Morrison? Yes or no? It is quite simple. Do not worry about forms. Were they or weren't they?

Mr MORRISON—Were there vehicles?

Mr Bitar—I thought my answer was quite direct.

Mr MORRISON—He will know, I can assure you.

CHAIR—Boys, patience is a virtue. All will be revealed.

Mr MORRISON—I will move on to the next question.

Senator RONALDSON—What is he covering up?

Mr MORRISON—If he is not prepared to admit at this hearing that those things were available, that is a matter for him and I will move on to my next question. Similarly, in trying to understand the level of in-kind expenditure also provided to the ALP, was any research undertaken by the union movement made available to the head office of the ALP campaigns at a state or federal level—qualitative research or quantitative research? This is research which can cost tens of thousands of dollars. Was any research undertaken by the union movement passed on—it has a value—to the ALP to assist them in their strategy, planning and undertaking of the 2007 election campaign?

Mr Bitar—Again, to answer the question, if it should be declared under the current legislation then it has been declared.

Mr MORRISON—I am not asking what you are entitled to declare; I am asking if it was provided.

Mr Bitar—Talking about me—I can only speak for myself—in my role during the 2007 federal election campaign I was not provided with any of that research.

Mr MORRISON—So, to the best of your knowledge, the New South Wales ALP branch was never provided with any information or research, qualitative or quantitative—

CHAIR—He did not say that.

Mr MORRISON—No, that is why I am seeking the clarification. To the best of your knowledge, the New South Wales ALP branch did not receive any of that information from the union movement?

Mr Bitar—Again, I can only speak for myself.

Mr MORRISON—I understand that you are speaking for yourself, but you are a very senior member of that branch.

Mr Bitar—Speaking for myself, I did not have access to any of that information. I was not provided with that in the form of a donation, assistance or anything.

Senator RONALDSON—What about Mr Martin and Mr Hallaj? Were you employed at the federal division during the election campaign?

Mr Martin—Yes, that is correct.

Senator RONALDSON—What is the answer to Mr Morrison's question in relation to the research, then?

Mr Martin—I recall that we received some research from Crosby Textor at one point, but I think that was about it.

CHAIR—Crosby Textor? They used to be the Liberal Party boys.

Mr Martin—Yes, I think that is right.

Senator HUTCHINS—Don't they work for Boris Johnson?

Mr MORRISON—I am still waiting for an answer to Senator Ronaldson's question: did the federal division receive or have access to any research undertaken by the union movement?

Mr Martin—The law in relation to this is clear, and our disclosure return will detail all those things that we are required to do.

Mr MORRISON—Okay, you do not want to answer that question; we will move on to the next one.

Senator RONALDSON—They are happy to try and make a political point, but when asked to pursue the matter they are not prepared to do so.

CHAIR—They are entitled to bat it back if you ask dumb questions!

Senator RONALDSON—Yes, but you do not choose which ball you are going to play, thanks, Chair.

CHAIR—At the end of the day we are all grown-ups. Let us stay civil and courteous. You are entitled to ask the questions; they are entitled to respond.

Mr MORRISON—Can I go back to your earlier comments in terms of your presentation to the committee inquiry in New South Wales. As we know, that inquiry was substantially a result of incidents in New South Wales largely relating to Wollongong council. I am interested to know, based on your experience, what were the lessons of the Wollongong council saga, where four ALP councillors received a specific and adverse mention in the recent ICAC report, and what are the implications for the conduct of local government elections more broadly?

Mr Bitar—Look, what happened in Wollongong was just illegal activity—pure and simple.

Mr MORRISON—True.

Mr Bitar—What happened there was that these people broke the law; they acted corruptly. It demonstrates that our system does work: those people were arrested and were found to be corrupt by ICAC, and I hope they face the full force of the law in New South Wales. I think funding and disclosure reform was already on the table, and what the Wollongong thing did specifically was not give it a boost but really push it along in a serious way. I am glad it is happening faster than it would have otherwise. These reforms that might have taken a bit longer were brought to the forefront of people's thinking by Wollongong, at least in New South Wales, and those of all political parties as well. There have been reforms in New South Wales now to try and address some of the issues, to try and reform the system and make it more transparent, which is a good thing, but we are not there yet. The system is not perfect. Again, my personal view is that the system is broken and the system needs fixing. At the moment the reforms on the table at the state level in New South Wales, which went through the parliament, are good. But have they fixed the system? No. So we have got—

Mr MORRISON—So what do you think are the big lessons out of Wollongong then? I ask the question more specifically in relation to local government, because next week in this place we will have a meeting of the Australian Council of Local Government, and I am interested to know what reforms should be being considered with regard to local government elections, particularly in relation to donations, as a result of what the ALP would suggest based on their experience in Wollongong and your four councillors that had an adverse finding against them.

Mr Bitar—I think you would find that 99.99 per cent of local government councillors are honourable people that would never engage in illegal or corrupt activity. What we had in Wollongong were a few bad apples, and they have been dealt with. That is not to say there are not other bad apples out there, but let us hope our system catches those people and stops those people. But the reforms in New South Wales go a long way towards making it much harder for people to get away with that sort of corrupt activity. I think the reforms that come into play at the federal level and the state level should also be implemented at a local government level, so we should be looking at fundamental reform in that area. It is much harder at a local government level because you are talking about thousands of candidates. You know how hard it is just dealing with them in terms of nominations—getting them to complete their nominations correctly and lodge them on time. In a lot of instances you will find a lot of problems in local government because of the complexity of the legislation, and that is why I keep coming back to the fact that we need a funding and disclosure system which is very simple and is easy to administer so that people are not getting into trouble because of mistakes—so when people do get into trouble it is only because of corrupt or illegal activity.

Mr MORRISON—Do you think this is something that should be on the agenda for the Australian Council of Local Government—the integrity of our political process at a local level?

Mr Bitar—Funding and disclosure reform should be on the agenda at every level of government.

Mr MORRISON—Okay. The other question I have relates to local government elections. Do you support the view that the head offices of political parties should be able to make direct contributions to local council campaigns?

Mr Bitar—Should be able to?

Mr MORRISON—Let me run through the scenario. A donor comes to ALP head office, Liberal Party head office, the Greens head office or wherever and makes a donation for local government, full stop. Do you think there is a transparency in the relationship where that money can then be provided to a local government candidate or local party campaign given that that donation will never be disclosed as a donation from that individual but as a payment received from the head office—that is, it has been washed?

Mr Bitar—That is something that definitely has to be looked at as part of the reforms, and that is something that the New South Wales government went pretty far to addressing in their last round of reforms, where the local government candidates had to find their own local agents; the party agent was not their agent. I took a stand and publicly said as general secretary of the New South Wales Labor Party, ‘We won’t be accepting any donations and passing those on to local government campaigns.’ As a party office, the New South Wales branch did not spend

much on the local government campaigns—maybe in terms of how-to-votes—but I do share your concern, and it is something that definitely has to be addressed because there is the potential for money to be filtered through the party office for local government candidates, and that is something that definitely has to be addressed.

Mr MORRISON—We should try and stamp that out. We should seek to be stamping that out.

Mr Bitar—Absolutely.

Mr MORRISON—The final question, because I realise I have to go to question time, is: given Nathan Rees's recent comments—he seems to have a view that there is some legal advice that would prevent the enactment of the reforms highlighted by both Morris Iemma and Nathan Rees, and that has effectively been handballed to the federal jurisdictions—are these proposals that you, now as national secretary, would continue to share and to advocate from a federal point of view?

Mr Bitar—Again, my views are personal views, as opposed to the views of the FPLP or the government. Personally—and I said this up-front early on—I think there are constitutional and practical issues that we are going to confront as a part of this reform. After the green paper comes out and discussions are had, you might get constitutional advice that there is an issue with the level at which you put a cap on donations or expenditure. My view is that we cannot allow those issues to stop us reforming. They are issues that we have to consider and address, but we should not use those as an excuse not to reform. That is probably the best way to put it.

Mr MORRISON—I have one last question, which I had forgotten: do you believe that, if we were to consider some form of expenditure cap or any of those types of issues, those sorts of caps should be extended to third parties?

Mr Bitar—Again, that is definitely something that should be considered as a part of the reform. Everyone has to be open minded—I am open minded, the national secretariat will be open minded and I hope everyone in this room will be open minded—when it comes to these reforms. You do have to look at the parties. You do have to look at third parties. You do have to look at unions. You do have to look at corporates. You do have to look at the membership. I do not think we should be ruling anything out at this stage and saying, 'This is something we shouldn't consider as part of the reforms.' To answer your question, yes, we should look at third parties.

Mr MORRISON—Thank you.

CHAIR—Mr Bitar, I can indicate that there are a number of other issues we wish to raise with you. We might put those in writing, and you can respond to us in relation to those.

Mr Bitar—Sure. Great.

CHAIR—There is one I do want to raise at this stage. As a result of the McEwen by-election and the argument about formality of votes, we are looking at exploring options to provide for a broader input into rulings about formality in other processes so that it might not be left with the state returning officer alone but with a panel, maybe of two or three people. So it is a consensual

arbitration type of thing. That obviously still does not stop a Court of Disputed Returns, but it means that if there is a dispute—just a formality—then rather than relying on a single returning officer you might have a panel of three. Have you got a view in relation to that? Do you want to reserve that till we get a model that we can send to you?

Mr Bitar—That would be great. That would be appreciated, and I am happy to get back to the committee on that matter.

CHAIR—No worries. Then I thank you all for your attendance here today. If you have been asked for additional material, please get it to us by Friday, 21 November.

Resolved (on motion by **Mr Morrison**):

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

CHAIR—I again reiterate on behalf of all of the committee that we congratulate you on your appointment, Mr Bitar, and also you, Mr Martin. You are continuing in your position, I think, Mr Hallaj. The committee enjoys a good relationship with the major political party secretariats and tries to work with them closely so that we can improve our electoral processes. So I thank you. The fact that three of you of such senior standing within the party have attended today is something that we as a committee appreciate.

Committee adjourned at 1.50 pm