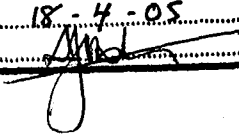
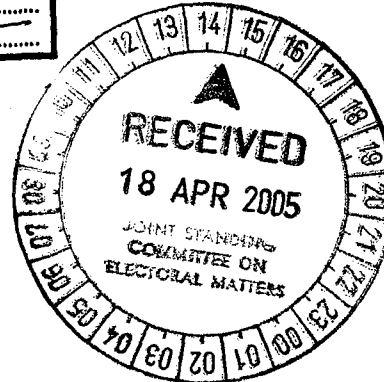


AUSTRALIAN LABOR PARTY

Joint Standing Committee on Electoral Matters	
Submission No.	136
Date Received	18-4-05
Secretary	



Ms Beverly Forbes
Secretary
Joint Standing Committee on Electoral Matters
Parliament House
CANBERRA ACT 2600

Dear Ms Forbes

The Australian Labor Party welcomes the opportunity to provide a submission to the Committee's current inquiry into the conduct of the 2004 election and is happy to provide more information if required.

Yours sincerely



Tim Gartrell
National Secretary

15 April 2005

Joint Standing Committee on Electoral Matters Inquiry into the 2004 Federal Election Submission by the Australian Labor Party

Overview

Fairness, transparency, access and accountability are the fundamental principles of the Australian electoral system.

Labor has always believed in those principles. Labor recommends the Parliament take direct steps to further reform the electoral system, open it up and make political parties more accountable.

These principles are not those of the Coalition. There is no better example of the Howard Government's attitude toward electoral law than its approach to political advertising and political donations.

The Howard Government continues to spend unprecedented amounts of public money on party political government advertising. The expenditure by the Howard Government in the lead up to the 2004 federal election will rival the \$220 million spent previously on the massive GST campaign. Not content with having the tax-payers fund its political advertising, the Liberal Party's election propaganda used the Reserve Bank's name to support their false claim mortgage rates would rise under Labor.

In relation to political donations, the Liberal Party has opposed almost every measure to improve the disclosure of donations and the Howard Government has consistently ignored pleas from the AEC to tighten the disclosure provisions of the Electoral Act. Labor supports reforms which would close the loopholes, flush out the secret political donations and make political parties and their associated entities fully disclose their sources of income. Political donations should not purchase influence. The Parliament must put a stop to the *money culture* which pervades political fundraising in Australia.

In stark contrast to the ALP's support for accountability and protection of the electoral franchise, the Liberal Party continues to support:

- Raising the threshold above which donations have to be declared from \$1,500 to \$5,000 or as high as \$10,000. Raising the disclosure threshold to \$10,000 would mean 65% of the donations currently disclosed would become secret.¹;
- Raising the level of tax-deductibility for donations to political parties from \$100 to \$1,500, thus costing the tax-payers \$15 million per year²; and
- Closing the electoral rolls the day a federal election is called, thus potentially disenfranchising over 80,000 Australians (most of whom are under 21) and forcing 250,000 - 300,000 people to vote using the wrong address³.

¹ See p.5 Sunday Age, 3 April 2005 "PM pushed on donation rules". Also see Liberal Party submissions to 2001 review of Funding and Disclosure & 1998 review of Federal election by JSCEM.

² *Taxation Laws Amendment (Political Donations) Bill 1999*

The issues

Many of the issues raised within this document have been raised in past ALP submissions to the Joint Standing Committee on Electoral Matters. The ALP welcomes any requests for further information or submissions which may be required by the Committee to supplement issues raised in this document.

Events and reports during and following the 2004 election have raised several areas of concern about the conduct of the election and the actions of participants in the election. Recommendations in this report deal with the following areas of concern:

1. Abuse of tax-payer funded advertising by the Howard Government.
2. Deceptive third party endorsements within Liberal Party political material.
3. The Liberal Party and its associates hiding political donations.
4. The need to improve access to pre-poll voting.
5. The large number of AEC errors in handling postal votes.
6. Improving enrolment activities to enhance the integrity of the electoral roll, in particular with young and Indigenous Australians.
7. The increasing levels of informal voting.
8. The introduction of simultaneous, fixed four year terms for both the House of Representatives and the Senate.
9. Improving electoral education.
10. The misuse of unlisted private telephone numbers to broadcast unsolicited pre-recorded messages such as those used by the Liberal Party.
11. The offering of employment for sitting MPs and candidates and the post-election employment by Ministers in companies within their portfolio responsibilities.
12. The authorisation of election material published using the internet, email, SMS and mass pre-recorded telephone broadcasts.
13. Public funding guidelines that allowed Pauline Hanson to make a personal profit of around \$170,000 from the last election

³ See numerous media statements over 2003 & 2004 (not reported) by Senator Eric Abetz and also the *Electoral and Referendum Amendment (Roll Integrity and Other Measures) Bill 2002*

1. The rules for government advertising must be tightened so the abuse of tax-payer funded advertising by the Howard Government cannot be repeated

The Howard Government has spent unprecedented amounts of public money on government advertising. According to figures drawn from departmental annual reports, the government spent \$122 million in 2001/02, \$103 million in 2002/03 and \$170 million in 2003/04 on campaign, non-campaign advertising and market research.

The figure for advertising in the lead up to the October 2004 election will only increase because expenditure figures for July and August have yet to be released. When these are added, the expenditure by the Howard Government in the lead up to the 2004 federal election will rival the \$220 million spent previously on the massive GST campaign.

In other words, pre-election taxpayer funded advertising equalled more than ten times the total amount both parties spent on television advertising during the campaign period.

Labor has previously sought to introduce measures to increase fairness and accountability in government advertising but such measures have been rebuffed by the Government.

Labor continues to argue that improved guidelines for such advertising are required. This position has been lent further support recently from a number of the submissions received by the Senate's Finance and Public Administration References Committee Inquiry into Government Advertising and Accountability.

Of particular relevance is the brief summary provided by academic finance expert (and former public servant) Professor Tony Harris from the University of Wollongong, where he argues:

"There are two important problems with government advertising that the commonwealth government or parliament needs to address. The first is the practice of recent governments to use public money for advertising campaigns that advance non-government (that is, party political) purposes.

The second problem is that considerable expenditure on government advertising would not meet one or more of the audit tests for economy, efficiency or fairness."

This submission recognises that some government expenditure on advertising is entirely legitimate.

However, the Government continues to spend increasingly large sums of money on campaigns that are clearly political in nature, such as the \$16.9 million on the "Strengthening Medicare" campaign by the Department of Health.

Such advertising campaigns would not have been possible if previously recommended guidelines had been implemented and their absence continues to reflect the perception that such advertising is another "free kick" for the political party in power.

ALP recommendation – Government advertising

Rec 1. That the recommendations and guidelines on government advertising previously proposed by the Joint Standing Committee on Accounts and Audits be implemented.

2. The AEC must be able to ensure third party endorsements within party political material are factual and made in good faith.

During the 2004 election the Liberal Party distributed leaflets containing factual errors and exaggerated claims regarding their promise to keep interest rates low. The material was written in such a way as to allude to an apparent endorsement of the message by a Reserve Bank source.

The specific written complaint by the Reserve Bank included the following statements:

*“...it contains the words ‘*Source: Reserve Bank of Australia’ without any indication as to what in the text the asterisk refers to. In fact there is no other affiliation indicated on the card and so the Reserve Bank is concerned that people could mistakenly interpret the message as being somehow endorsed by the bank. We ask that you take action to prevent further circulation of such materials.”*

Despite receiving a request from the Reserve Bank to halt the distribution of the said material, the AEC did not act to halt the distribution of the material.

Given that the Coalition’s claims that interest rates could be much higher if Labor won office were dismissed at the time by market economists, interest rate specialists and a former Governor of the Reserve Bank, the inaction of the AEC following the written complaint from the Reserve Bank is very concerning. Of equal concern is the secrecy surrounding the Reserve bank complaint, which only became public knowledge six months after the initial complaint.

Despite Liberal Party claims of a clerical error in the Hughes electorate the ALP has copies of material using the same misleading tactic in the electorates of Banks and Macquarie.

ALP recommendations – Abuse of 3rd party endorsement

Rec 2. The AEC must be able to ensure that third party endorsements within party political material are factual and made in good faith. Penalties should apply where parties distribute or broadcast incorrect and misleading information.

Rec 3. The AEC should use the internet to publish legitimate written complaints regarding election material to enable improved public scrutiny and integrity in the democratic process.

3. Full disclosure by all political fundraising bodies

The guiding principle for the ALP in dealing with the regulation of electoral funding and disclosure is that there must be a complete and meaningful trail of disclosure back to the true source of funds received by, or of benefit to, political parties. This is an essential precondition if the disclosure system is to be effective.

The ALP strongly supports a tightening of the laws governing donations to make sure all fundraising bodies that are assisting political parties fully and promptly disclose the source of their donations. Fundraising organisations working for political parties, should be obliged to disclose in full and such disclosure should be mandatory for all parties.

There is a significant public interest in the publication of the donors to political parties, yet that public interest is considerably affected by confusion over whether parties are fully disclosing all donations.

The problem of accountability of political donations has been exposed by the case of the Greenfields Foundation. It was found to be an Associated Entity of the Liberal Party, yet it still refuses to provide the AEC with full Donor Returns, submitting unsigned returns in defiance of the AEC's finding. As such, the true donors of the \$4.6 million (effectively to the Liberal Party) remain hidden.

Enhanced obligations and powers to audit

There is a strong public interest argument that disclosure returns of political parties (and associated entities) should carry some guarantee they are free from errors and omissions at the time that they are made public. Requiring parties to submit disclosure returns certified by a registered auditor would address this concern.

It would also be in the public interest to have the disclosure regime enhanced by making persons and organisations that make substantial donations to political parties open to compliance audits by the AEC.

Anonymous donations

Two examples of potentially anonymous donations received by parties in recent times are those received by the Liberal Party from the Greenfields Foundation and the ongoing secret funding of the Citizens Electoral Council (CEC).

The \$4.6 million interest free loan given by the Greenfields Foundation to the Liberal Party has been well canvassed; however, the CEC received over \$1 million in donations in 2000/2001, yet declared that it had received only \$106,899 in donations of over \$1,500. That is, the CEC received \$958,613 from as yet undisclosed sources. The Labor Party is concerned that the CEC may not be fully disclosing donations or other support it receives that is valued at over \$1,500.

Under the Electoral Act the penalty for accepting anonymous donations is a sum equivalent to the sum received, and is forfeited to the Commonwealth.

The ALP believes the current penalty is only a moderate deterrent at very best. The penalty does no more than return the party to the financial position that it would have been in had it observed the law in the first place. In other words, there is nothing to be lost by accepting money that the Electoral Act deems to be illegal. The penalty

should contain some element of punishment for breaking the law if it is to operate as a deterrent. Further, the rules should be extended to cover anonymous donations received by associated entities.

Donations from overseas

Currently, there are no restrictions placed upon political parties on the source of donations. Australia allows political donations to be received from overseas sources, although they appear to have been relatively rare. Nevertheless, donations sourced from overseas can pose problems for disclosure.

Australian law generally has limited jurisdiction outside our shores and hence the trail of disclosure can be broken once it heads overseas. If the overseas based person or organisation who makes a donation to the political party were not the original source of those funds there would be no legally enforceable trail of disclosure back to the true donor, nor would any penalty provisions be able to be enforced against persons or organisations domiciled overseas.

There are two options to address this loophole. The first would be to place a blanket prohibition on the receipt of funds that have come from or passed through an overseas entity.

The second option would be to make the retention of overseas donations conditional upon full disclosure, including by the overseas entity or entities. Disclosure that does not identify the true source of a donation that has passed through overseas hands would be forfeited to the Commonwealth.

While we would consider the first option, the ALP strongly supports the second.

Increase the AEC's powers and resources

The ALP strongly supports increasing the powers and resources of the AEC to ensure compliance with the rules governing disclosure of political donations.

ALP recommendations – Disclosure of political donations

- Rec 4. That political party annual returns be accompanied by a report from an accredited auditor.
- Rec 5. That donors giving more than \$25,000 to political parties be subjected to compliance audits by the AEC.
- Rec 6. That the AEC be given the power to audit and/or investigate organisations it reasonably suspects have not disclosed gifts or other resources they have given to political parties or candidates.
- Rec 7. That the prohibition on the receipt of 'anonymous donations' is extended to associated entities.
- Rec 8. That the amount to be forfeited to the Commonwealth where a sum deemed to be illegal under the disclosure provisions has been received (such as an anonymous donation), be increased to double the value of the sum received.
- Rec 9. That donations received from outside Australia either be prohibited or forfeited to the Commonwealth where the true original source of that

donation is not disclosed through the lodgement of disclosure returns by those foreign persons and/or organisations.

- Rec 10. That debts and loans sourced from outside Australia or owed to an entity outside Australia either be prohibited, or forfeited to the Commonwealth where the true original source is not fully disclosed by the political party or associated entity.
- Rec 11. That funds raised on behalf of candidates or registered parties by commercial or other organisations be treated as if those funds are directly donated to the party and that the fundraising entity have disclosure obligations for all those funds. In particular, funds raised at auctions or celebrity dinners by organisation such as Markson Sparks need to be detailed so that the person who actually paid the money is disclosed.
- Rec 12. That where a donation, debt or contingent liability of \$1,500 or more has been omitted from a disclosure return of a political party, associated entity, donor to a political party, candidate or Senate group, or the details of a receipt included on such a disclosure return do not clearly identify the true source and value of those funds or debts, then a sum equivalent to that receipt should be forfeited to the Commonwealth.
- Rec 13. That the AEC's resources be increased so it can properly enforce the rules governing funding and disclosure.

4. Improving access to pre-poll voting

Labor believes that electoral arrangements need to accommodate the ever increasing demands on family time. This factor may be able to lend an explanation to the increase in postal voting during the 2004 federal election.

Labor believes that there is sufficient demand for an increase in pre-polling voting centres.

ALP recommendations – Pre-poll voting

- Rec. 14. That the AEC establish additional pre-poll voting centres in every Division in locations deemed to be accessible to the public, such as in major shopping centres, sporting venues and education institutions. Further, that the times when pre-poll voting centres are open be reviewed.
- Rec. 15. That the AEC enhance its current education programs to increase pre-poll voting information and education.

5. Improving postal voting

The ALP is very concerned about the relatively higher number of administrative errors in the issuing of postal ballot papers and difficulties encountered by postal voters during the 2004 election. These issues must be addressed through a thorough revision of the postal vote process.

The ALP endorses the concerns about the administration of postal voting in the 2004 election raised by the Hon Arch Bevis MP in his submission to this inquiry.

Although the AEC has commissioned and received a report into postal voting in the 2004 election there is a concern that the extensive list of recommendations included in the report may not address the issue of adequate resourcing for supervision of the process during the election.

ALP recommendation – Postal voting

Rec. 16. The ALP fully supports recommendations 24 through 27 of the AEC-commissioned report into postal voting at the 2004 election and requests that an open and public discussion take place as part of a comprehensive review of pre-polling and its advantages as an alternative to address the increasing demand for postal votes.

6. Improving and resourcing enrolment activities which will enhance the integrity of the Electoral Roll.

A concerted effort needs to be made to improve and resource enrolment activities which will enhance the integrity of the Electoral Roll.

The ALP believes that the integrity of electoral enrolment can only be assured if all Australians can easily get onto the Roll and if the Roll is secure and electoral fraud deterred. These matters are equally important – enrolment must be fair and the Electoral Roll must be safe.

The ALP believes it is incumbent upon the AEC and JSCEM to develop improvements to the management of the Electoral Roll and to protect the franchise. There are three significant issues in this area that require urgent attention, namely:

Homeless people are being left off the Roll

Homeless people are very significantly under-enrolled and the Government's proposed early closure of the rolls and bureaucratic enrolment-witnessing regime would make it worse. The ABS estimates that on any given night in Australia there are 105,000 homeless people. Very few of them are enrolled to vote. Under section 96 of the Electoral Act, people can enrol as "itinerant electors", yet in March 2005 only 5,860 people were enrolled that way.

Even allowing for the wide range of circumstances affecting enrolment and homelessness, such a huge gap between the number of homeless Australians and those enrolling as *itinerant voters* indicates many homeless people effectively lose their right to vote when they lose the roof over their head.

Young Australians are not enrolling

Young Australians are significantly under-enrolled and the Government's proposed early closure of the rolls and bureaucratic enrolment-witnessing regime would make the situation worse. If the rolls were closed for new enrolments on the day the election is called 80,000 people (most of whom are under 21 years old) would be blocked from voting.

Aboriginal Australians are being systematically kept off the Roll

Currently, out of the 260,000 Aborigines in Australia that are over 18 years old, only approximately 140,000 (or 54%) are enrolled to vote. The fact that only 54% of Aborigines are enrolled whereas 95% of non-indigenous Australians are enrolled is not simply because of extreme poverty and low education standards; it is also in large part due to the policies of the Howard Government. For example, in its 1996 Budget, the Government forced the AEC to cut the Aboriginal and Torres Strait Islander Electoral Information and Education Service.

A response to declining Aboriginal enrolment rates is urgently required.

The ALP notes that JSCEM agreed to Labor's earlier recommendation for improved roll integrity that the age and gender details of voters be included on the certified roll on polling day, thus providing two extra checking points for voter identity.

The Government's only initiatives in relation to altering the system of electoral enrolment have been the early closure of the rolls and voter identification measures. These measures would have reduced the integrity of the Electoral Roll and led to:

- a reduction in the franchise, particularly affecting the young and the socially disadvantaged;
- less accurate rolls for polling day;
- queuing delays, confusion and inconvenience at polling booths;
- an increase in declaration voting; and
- delays in the delivery of election results.

The Government's proposed system for electoral enrolment, which was disallowed by the Senate in 2002, would not have stopped fraud, but would have disenfranchised homeless people, Aborigines and Australians living in remote areas.

The Government's proposal to close the rolls as soon as the election is called would also have a dramatic negative effect on the franchise. When Malcolm Fraser closed the rolls without notice in 1983 it was estimated that between 150,000 and 500,000 people were disenfranchised or had to vote in the wrong electorate.

Both the Victorian Government and the AEC have developed models for ensuring the integrity of the electoral roll that are vastly superior to the Howard Government's flawed enrolment witnessing regime.

The Victorian model

Under an alternative approach suggested by the Victorian Government, those applying for enrolment or transfer of enrolment would be required to provide their driver's licence number on the enrolment form. No further witnessing would be required. If an applicant for enrolment did not have a driver's licence, the enrolment form could be witnessed by an elector who did and who would include their drivers licence number on the enrolment form.

Enhanced crosschecking could take place using data from licence registration authorities, who would be obliged to provide electoral authorities with the relevant data to enable them to verify and store name, date of birth, signature and address information.

This proposal has genuine merit as, unlike the flawed regime proposed by the Commonwealth, it is simple, secure and provides for genuine verification of an

enrollee's name and address. It will improve the integrity of the Roll without affecting the franchise.

The Victorian proposal was welcomed at a meeting of State and Commonwealth Electoral Commissioners on Friday 8 February 2002.

The AEC's "Direct Address Change" proposal

"Direct address change" (DAC) was discussed by the AEC in its 17 October 2000 submission to the JSCEM Inquiry into the Integrity of the Electoral Roll.

DAC would allow the AEC to use the data it already receives from other agencies to update the elector records of Australians. This information would be received from suitable government agencies without seeking a specially signed elector enrolment or transfer of enrolment form.

Suitable agencies for DAC roll update would be the Australian Tax Office, Medicare, Centrelink and State and Territory Motor Registries. The data required from these agencies is name, address, gender and data of birth. DAC roll updating would therefore take advantage of the proof of identity already supplied to these agencies by their clients for identification requirements for electoral roll updating.

DAC may provide advantages for the elector and enrolment processes because:

- (a) The elector would not have to separately obtain an enrolment card, complete it and forward it to the AEC as their enrolment details would be entered automatically from their advice to the particular DAC agency.
- (b) Proof of identity would already be provided as the change of address data has originated from an agency which has already confirmed the identity of the client through drivers licences, citizenship documents, birth certificates, etc.
- (c) It would probably make the enrolment process simpler for electors in remote or regional areas who have limited access to government agencies. For example, it could extend enrolment services to electors who may be handicapped, from a non-English speaking background or reliant on governmental support.
- (d) DAC provides greater accuracy and integrity to the electoral roll as change of address data is provided from suitable government agencies from an identified source and contains elector specific details.

Importantly, DAC could allow for the provision of enrolment transactions via "*all of government*" change of address forms and/or also accommodate the promotion of government services through electronic transactions.

ALP recommendations – Enrolment and the integrity of the Electoral Roll

- Rec. 17. That the Aboriginal and Torres Strait Islander Electoral Information and Education Service be reintroduced.
- Rec. 18. That the AEC be requested to report to JSCEM on the effectiveness of Commonwealth and State programs currently devoted to improving and sustaining the enrolment levels of young and homeless Australians. That the AEC also be requested to provide recommendations on how to improve the levels of enrolment of those groups and other groups it identifies.

- Rec. 19. That the Commonwealth Electoral Act be amended to allow:
Those applying for enrolment or transfer of enrolment to provide their driver's licence number on the enrolment form, without further witnessing; and
If an applicant for enrolment did not have a driver's licence, the enrolment form to be witnessed by an elector who did have a licence and who would include their licence number on the enrolment form.
Enrolment by this method would be subject to satisfactory arrangements between the AEC and State authorities regarding the privacy, integrity and security of data and appropriate funding being provided to the AEC to establish systems for cross-checking the data.
- Rec. 20. That the AEC prepare a report for JSCEM on enrolment through *direct address change* (i.e. receiving enrolment data from government agencies, without seeking a specially signed elector form). The report should cover issues of feasibility, cost, security, suitable government agencies, privacy, consultative processes, and legislative and regulatory requirements.

7. Measures need to be taken by the AEC to address the increasing levels of informal voting

Labor notes a further significant increase in informal voting at the 2004 federal election.

At this election, the level of informal voting increased from 4.8% to approximately 5.2% in House of Representatives electorates, being particularly acute in New South Wales where some electorates were contested by a high number of candidates.

There may be many reasons for this level of informal voting, and Labor recommends that the Committee ask the Australian Electoral Commission to undertake an in-depth study of reasons for the level of informal voting at the last federal election and report back to JSCEM.

Labor reserves the right to make a further submission on this matter to JSCEM following receipt of the results of any AEC inquiry.

ALP recommendation – Informal voting

- Rec. 21. That the AEC undertake an in-depth inquiry to determine why the level of informal voting increased at the last federal election and report back to JSCEM.

8. The introduction of simultaneous, fixed four year terms for both the House of Representatives and the Senate.

Uncertainty in the electoral cycle impedes good government. Fixed four-year terms for both the House of Representatives and the Senate would reduce the uncertainties and limitations of our current system and improve the quality of our government. They would be good for our democracy. Labor supports, and will work towards, fixed four-year parliamentary terms. Labor supports amending the Commonwealth Electoral Act 1918 to allow for the introduction of simultaneous, fixed four year terms for both the House of Representatives and the Senate.

There are a number of issues relevant to this matter. These include the length of the Parliamentary term; grounds on which a parliamentary term can be shortened, synchronicity between the House of Representatives and the Senate and the consequential issue of the length of parliamentary terms for Senators.

Labor also supports repealing subsection 394(1) of the *Commonwealth Electoral Act 1918*, which would then allow states and territories to move their electoral cycles into line with the Commonwealth.

ALP recommendations – Four year terms and election dates

- Rec. 22. That legislation be enacted to introduce simultaneous, fixed four year terms for both the House of Representatives and the Senate.
- Rec. 23. That amendments also be made to enable States and Territories to synchronise their electoral cycles with the Commonwealth.

9. Improving electoral education

Labor believes that the current level of electoral education is inadequate to meet the demands of Australia's diverse electorate. Since 1990 there has been a gradual increase in informal voting, whilst enrolment levels amongst Aboriginal and NESB Australians still remain comparatively low to national average.

Young Australians still lack sufficient knowledge about Australia's electoral system and many appear to still rely on their parents as their main source of information about voting.

ALP recommendation – Electoral education

- Rec. 24. The AEC undertake a comprehensive review of its electoral education programs, with the view to improve awareness of Australia's electoral system amongst Aboriginal, NESB and young Australians.

10. The ACA and AEC be empowered to stop the misuse of unlisted private telephone numbers to broadcast unsolicited pre-recorded messages, such as those used by the Liberal Party in the 2004 election.

Following numerous incidents reported to the ALP and in the media during and following the 2004 election, the ALP wrote to the Australian Communications Authority (ACA) regarding the use of unlisted private telephone numbers to broadcast unsolicited pre-recorded messages such as those used by the Liberal Party in the 2004 election.

Although the ACA reported it has analysed the sources used by the Liberal Party to deliver the spam phone calls and “found no evidence of misuse of the Integrated Public Number Database”, it has not addressed the principal complaint that many people with unlisted numbers received unsolicited pre-recorded telephone messages.

The JSCEM must not allow these serious complaints of an invasive use of unlisted private telephone numbers by a political party to be swept under the carpet. Further investigation is required into the sources, both within Australia and overseas, of this sensitive data on Australian citizens and the manner in which it has been abused for unauthorised broadcasting of electronic spam messages by the Liberal Party.

The political nature of this telephone spam also contravened the authorisation requirements of material which published or distributed by a political party and a separate letter of complaint regarding the authorisation of these spam phone calls has been submitted to the AEC.

It should be noted that Parliament has recently taken strong action to prevent Australians from being spammed. The ALP is concerned the Liberal Party has given overseas companies access to Australians' phone numbers (including silent numbers in the IPND) and its other extensive databases in return for technology and services to distribute and broadcast unauthorised political material.

ALP recommendation – Abuse of unlisted phone numbers by the Liberal Party

Rec.24. The ACA, Office of the Federal Privacy Commissioner and the AEC undertake a combined public investigation into the misuse of private unlisted telephone numbers to broadcast unauthorised and unsolicited pre-recorded telephone messages, such as those used by the Liberal Party in the 2004 election. This investigation should be reported in full to the JSCEM within a fixed timeframe.

11. The offering of employment for sitting MPs and candidates and the post-election employment by Ministers in companies within their portfolio responsibilities.

Late last year, serious allegations were made by Mr Tony Windsor MP in an interview with Tamworth radio station 2TM that he was offered an inducement not to nominate as a candidate for the 2004 federal election.

In that interview stated he had "No doubt an inducement was offered", he had "no doubt about the authenticity of the offer", that "there was an inducement offered to vacate the premises in terms of standing for the seat" and that the intermediary stated "whatever it takes would be provided". Mr. Windsor stated he "conveyed the message back to that individual that I was not interested in that sort of bribery."

Although further investigations and enquiries have not resolved the stand-off between Mr. Windsor and those he accuses of conspiring to bribe him to withdraw from the 2004 election, the fact remains that this incident illustrates the need for an investigation by the JSCEM into the feasibility of regulations on the offering of employment to sitting MPs and candidates during election periods.

This investigation should include previously stated public concerns regarding the impropriety of recently retired ministers being employed by companies and within industries within their previous portfolio responsibilities. The investigation should include discussion of the issues such as public perceptions of possible corruption and abuse of political influence and power in these cases.

ALP recommendation – Offers of employment to MP's and Ministers

Rec. 25. The JSCEM undertake an investigation into the ethics of former Ministers being employed in their industries within their previous portfolios and the feasibility of regulations on the offering of employment to sitting MPs and candidates during election periods.

12. The authorisation of election material published using the internet, email, SMS and mass pre-recorded telephone broadcasts

The telephone spam used by the Liberal Party in 2004 clearly contravened the authorisation requirements of material which published or distributed by a political party. This lack of authorisation on these electoral advertisements placed this activity in breach of the Electoral Act.

Section 328 of the Electoral Act requires electoral advertisements such as John Howard and Peter Costello's recorded messages to provide the authoriser's name and address. Section 328 was clearly designed to deal with a wide range of media, as the offence states "*A person shall not print, publish or distribute ... an electoral advertisement, handbill, pamphlet, poster or notice unless" it is authorised.*

The mechanism being used by the Liberal Party to distribute the recorded advertisement would comfortably fall within the ordinary, plain English meaning of the words "*publish or distribute*". Further, there is no question the contents of the advertisements are *electoral matter*.

The AEC should apply its policy that all electoral advertising "should include the identification of those responsible for the material in the same terms as prescribed by the Electoral Act"

ALP recommendation – Authorisation of electronic electoral material

Rec. 26. The Electoral Act should be amended to ensure election material published using new technologies such as the internet, email, SMS and mass pre-recorded telephone broadcasts is appropriately authorised.

13. Public funding guidelines that allowed Pauline Hanson to make a personal profit of over \$160,000 from the last election

After receiving just over 4% of the states primary votes Pauline Hanson received \$199,886 in public funding. Having spent only \$35,426 on her campaign, Hs Hanson walked away with \$164,460. Such blatant profiteering for personal benefit needs to be examined by this inquiry.

Rec. 27 Given Ms Hanson's personal net profit of over \$160,000 after the last election JSCEM should investigate options to prevent such blatant profiteering from public funding.