

## *Senator's Report*

*A Report by Senator Andrew Murray, Australian Democrats Senator  
for Western Australia*

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My last missive for the year comes with warm wishes to you and yours. Those wishes are for a happy, good-natured and stress-free festive and holiday season. I hope the coming year will be successful, productive and meaningful to your lives.

### **Preselection Win**

Being a Federal politician has many pluses, but many minuses. So recontesting a seat needs careful thought. In the end I decided that there is still an awful lot that I would like to achieve, and that I can achieve. By August I had finally made up my mind to stand again for a further term as a Democrat Senator for WA. That is easier said than done, since no Democrat in WA has yet even completed a full Senate six-year term, never mind been re-elected. And of course you first have to get through preselection. That I have done. As you may know, in the Democrats the entire membership vote in a preselection. Your major danger is if supportive members don't vote. Many people make the assumption that an incumbent will automatically get in. Incumbency does have an advantage, but you can always be sure those who don't support you will vote (since negative motives are often stronger than positive ones). Anyway as it turned out, those averse to me appear to remain in a small minority!

I am naturally extremely grateful to our members for their continuing support and confidence in me. I have worked very hard over these last four and a half years of office to achieve Democrat objectives, and I will continue to work hard. I have no illusions however as to how much it will take to get re-elected. Meanwhile, in the short term we need to get more Democrats elected in WA's State election. We all have high hopes there, as difficult as the task is.

### **Accountability: Two References**

The last quarter of the parliamentary and political year was notable for uproar on accountability issues. There wasn't much uproar about two separate references to Senate committees, but hopefully they will have significant accountability effects. In October I told you about my Private Members Bill on extensive improvements to the Freedom of Information Act. I have been surprised at the warm support I have had

from a number of politicians in the other political parties. There is always strong support from those who use FOI in the community. The inquiry could (I fervently hope) lead to the Government accepting that more reform is much needed in this area.

The second reference was of two Labor PMB's and two Democrat PMB's (mine) addressing excesses of Coalition behaviour (and Labor in the past) on a range of accountability issues, including the misuse of Government advertising. The value of this inquiry is that it will undoubtedly result in a requirement, at least of Labor in Government, to legislate for much higher standards. There is also an outside chance that the inquiry will shame the Coalition into also doing something legislatively.

### **Accountability: Auditor-General Review of Parliamentarians' and Ministers' Entitlements and Expenditures**

Here there was uproar, because of the Reith telecard affair. It forced (from Labor Senator Faulkner and I) the disclosure of telecard expenditure by members and senators. Like its scandalous predecessor, the travel allowance rorts, disclosure confirmed that only a few were into abuse, but it again confirmed that transparency is what is required to keep that minority in check. (Interestingly three or four NSW parliamentarians have just been pinned for the same thing.)

Peter Reith was accused of three crimes really – that of just being Peter Reith, that of giving out his card details which others then fraudulently used (and he was effectively fined nearly \$50 000 for that foolishness), and lastly that of a cover up. In my view the last “crime” was the most serious offence, and again John Howard's lax standards on ministerial accountability were exposed.

The issue did however present me with a wonderful opportunity, one I have been working towards for four years. The public outrage over entitlements abuse arising from the telecard affair meant that Labor could hardly walk away from a Democrat call for real action, and to their credit they didn't. With all non-Government Senators voting in favour I was able to get up a motion asking the Auditor General to review **all** expenditures and entitlements accruing to parliamentarians and ministers. The AG is independent, so in theory he could have turned down the Senate's request. He didn't, and so for the first time in 100 years the whole lot is going to be reviewed by the AG. In the past he has only examined a couple of areas on request, such as travel allowances. If things go right, by mid-year we could have a report that changes forever the excessive discretion members and senators have had over expenditures, and the lack of full reporting and benchmarking.

### **Accountability: The Electoral Roll, Preferences and Political Parties**

Earlier this year I sent many of you copies of the Minority Report Senator Bartlett and I had written on the 1998 Federal election. I did so for a deliberate reason – without the sorts of reforms the Democrats have been advocating political standards will not rise, and our democracy will remain flawed. With the furore over Queensland in particular, and branch stacking and preferences in general, another great opportunity presents itself to take advantage of the crisis to achieve major reform. Of course the Democrats have not been immune. There were some ridiculous statements from the resident WA Democrat impersonators that not even our enemies took seriously, and a

more serious allegation of bribery in one seat in Queensland. Apart from those who operate on a basis of presumption of guilt, no-one has bought the proposition that that's how the Democrats run their preference affairs. Out of all the mudslinging and worse that is going on I am convinced that positive change will be an outcome. I hope I am not disappointed.

I have been at this for over four years, so anyone who wants copies of speeches etc which explain these ideas more fully, just give the office a call. In summary, we advocate five reforms. First and fundamentally, that political parties are fully regulated, and that their constitutions be not only made public, but include standard essential items to ensure internal democracy and good process. Second, that one vote one value be a condition of membership. No members' vote should be gerrymandered to be worth more than another's. Thirdly, that the serious (fraudulent) type of branchstacking be made a crime. Fourthly, that how-to-vote cards either be done away with altogether, or the law be markedly reformed. Fifthly, that the preference negotiating process entail far greater disclosure than just the outcomes as at present.

That leaves us with the Federal inquiry into the electoral roll, arising from the Queensland court cases and the Queensland Criminal Justice Commission inquiry, both focussed on Labor political practices. I am one of two Democrats that sit on the Joint House committee inquiring into the integrity of the electoral roll, and we hope to play a pivotal role in the recommendations and getting consequent legislation through. Although the Coalition are indeed indulging in a fair amount of political opportunism on these issues, it is no good Labor squealing that it's just a political witch hunt. There are big problems in political parties process and practice, at present most evidently in Labor, and they need to be addressed.

As regards the integrity of the electoral roll, I believe there are four fundamental aspects that need attention. Firstly, whether there is sufficient effort to maximise enrolment - in other words, reducing the large number of Australian citizens not on the roll. Secondly, cleansing the roll of those who have wrongly put themselves on but without criminal intent (such as believing they are citizens when they are not). Thirdly, cleansing the roll of those who have wrongly put themselves on the roll with criminal intent (and exacting appropriate penalties as a result). Lastly, preventing or minimising future error or fraud in the roll.

### **The New Tax System**

We had the usual end of year tax amendment bill. Labor continue to fall over their feet on tax – not knowing what to do, attacking the new system they now support, but still unable or unwilling to tell Australia what parts they wish to reform. They mocked the government for amending the GST system, when everyone knows that tax always requires amendment, whether it's the WST or the GST. It's all a bit tedious now, and ineffectual. At least for a change they put up a useful amendment, which we supported. We also secured a helpful extension of GST free status to water safety courses (at 5.10 am on the last Senate sitting day for 2000).

The quarterly business activity statement has attracted a fair bit of publicity, with most of the attack coming from professional tax associations. The media have tended to think the BAS reporting problems are primarily GST related, but it is the PAYG

side which has generated considerable angst. I have made it my business to move around the State a bit and query a lot of businesses and organisations on how they are coping with the GST, PAYG, BAS and the fuel rebate scheme. My conclusion so far is that although no problem should be minimised, that for the majority it is progressing reasonably well. The problems that exist will need attention though, well before the end of the tax year. Businesses doing monthly BAS returns seemed more at ease than those doing them quarterly.

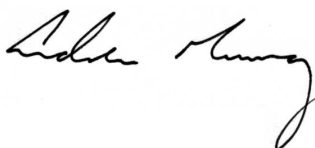
The November 2000 Yellow Pages Small and Medium Enterprises survey seemed to confirm my assessment. To quote them: "More SME proprietors said GST implementation had been easy than difficult (indicating GST implementation had been relatively smooth). The most difficult aspect of the GST was changes required to accounting and record keeping systems." Nevertheless there seems to be a need for the BAS to be improved or simplified, but that is unlikely to occur until after the ATO have another quarterly return through in February. I have tried to do my bit by meeting the ATO Deputy Commissioner and discussing possible improvements.

Elements of the media (and Labor of course) are trying to predict gloom and doom in February and March. We definitely need to wait at least until then to see all the effects of the new tax system starting to shake down, but I think they will be wrong yet again. However, for those many who avoided paying tax, or for those who are under capitalised or under resourced, there will undoubtedly be problems ahead.

A very significant tax problem, especially in WA, is a result of the ATO revisiting certain investment schemes, disallowing the tax deduction and imposing back penalties and interest. For many investors this has come as a terrible blow, and is seen as singularly unfair. The Senate Economics References Committee is inquiring deeply into this matter, and its Report will have great importance. Not everyone deserves relief, having entered schemes with the specific aim of tax manipulation, but for the sake of those who have been hard done by, I hope there will be some relief as a result.

## **Your Views**

If you would like more information, copies of policy sheets, issue sheets, media releases, minority reports, Senate speeches, or submissions, either look them up on the various web sites, or contact my office. As always you are welcome to send me short helpful comments.



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