

Senator's Report

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

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Introductory blurb.

Democrats End Government Contract Secrecy

On 20 June, I and my staff celebrated a landmark win in our campaign to improve government transparency. We were victorious in our 16-month bid to end government contract secrecy!

I am pleased to be able to advise you that Federal Government Ministers are now required to indicate what clauses in contracts are confidential and to then justify the need for confidentiality.

Briefly, the contract list would have to specify the contractor; matters covered by the contract; and whether the contract contained confidentiality provisions or was considered confidential by the parties. A sample of the contracts identified as confidential would then be investigated by the Auditor-General who would then report to the Senate whether the claims of confidentiality were appropriate. The Auditor-General would have a crucial oversight role in this process.

The landmark change is a result of Senate support of my motion, Notice of Motion No.489.

A significant effect of this motion is that it will materially curtail the abuse of commercial-in-confidence claims by some Ministers and bureaucrats. Departments and government agencies will finally be accountable for the manner in which they use secrecy provisions.

Secrecy is not acceptable when there is a strong public will for open, accountable and transparent government. After a long period of deliberation and much debate, the Senate ultimately had to comply with that will.

Another significant win for the Australian Democrats.

Put Up or Shut Up

Last month I challenged Federal Opposition Leader, Kim Beazley to support the Democrats bid to outlaw misleading political advertising.

I levelled the challenge at Mr Beazley after reading an AAP report in which he was quoted accusing the Federal Government of misleading the people of Aston.

Mr Beazley said in an interview with Radio 3AW:

“This pamphlet they’ve put out here that states that the Labor Party opposes the Scoresby Freeway – that’s a lie.”

I contend Mr Beazley’s recent complaints about misleading political advertising will continue to be dismissed by Australians as by-election political point-scoring *unless* he commits Labor to supporting the Democrats attempts to outlaw such advertising.

On several occasions in the Senate I have moved amendments to require that political advertising be subject to the same legal requirements of honesty as commercial advertising under the Trade Practices Act. They have been opposed by both Labor and the Government.

The Democrats’ Charter of Political Honesty Bills would outlaw misleading political advertising altogether. There is simply no justification for allowing politicians to lie to voters in their advertising. We don’t let commercial operators do it, why should politicians be any different?

Mr Beazley should stop complaining about standards in politics if he’s not prepared to do anything to make a difference.

Democrats’ Bill Protects Whistleblowers

I have stepped up my campaign to try to secure protection for Australian whistleblowers. In June I introduced my Private Senators’ Bill, the *Public Interest Disclosure Bill*, which if supported would make reprisals against Australian Public Service (APS) whistleblowers illegal and punishable by fine or imprisonment.

I believe the Bill would offer a credible and effective means of ensuring that APS whistleblowers are protected and corruption and impropriety at all levels of government are exposed.

While exposure of improper conduct can be embarrassing for Governments, this does not justify allowing such conduct to continue by refusing to protect those who would expose it.

This untenable situation must change and the Democrats’ Bill will achieve that change. I have urged the Federal Government and Opposition to support it.

On a State level, I commend the recent decision of Labor Premier Geoff Gallop to introduce whistleblowers legislation this year in Western Australia.

Two weeks prior to Mr Gallop’s announcement, I wrote to him and provided him with a copy of my Private Senators’ Bill. I have since sent a copy of the Bill to all leaders of political parties in the WA parliament and urged them to use any part of it to beef up Premier Gallop’s legislation. We will watch the outcome with interest.

WA Farming Crisis

As all West Australian residents would be aware, drought is crippling the WA farming industry. Last month, my parliamentary colleague, Senator Brian Greig, and I called on the state and federal agriculture ministers must set aside their political differences and work together the end Western Australia’s crippling drought crisis in the wheatbelt.

Western Australian farmers contribute around \$4.5 billion in gross value of production to this state's economy and we simply cannot afford to ignore the plight of farmers so badly affected by drought conditions

We believe that financial assistance will not change the weather patterns, but it will certainly help to keep our farmers on their land, and stem the flow of those walking away from farming to pursue other means of earning a living.

The Democrats will continue to lobby Federal Agriculture Minister, Warren Truss and his State counterpart, Kim Chance to commit real and urgent financial assistance to match the packages given to farmers in eastern states.

\$1 BILLION Backflip

A \$1.1 billion backflip. That is the cost to the public purse of the Howard Government decision to reverse its position on entity taxation and walk away from a reform that would have improved the fairness of the tax system.

It was in the Federal Budget in black and white - \$1.1 billion over four years. A fact that is of concern to the Democrats and should concern all taxpayers.

As some of you may be aware, I consider the public reaction to the Budget is principally that it failed to fund certain areas where there is need. The only way to increase government expenditure is to raise revenue and that is something only further tax reform can deliver.

The entity tax exposure draft legislation the Howard Government circulated in October 2000 was by no means perfect and the credible criticisms of rural Australia, small business and others warranted consideration.

The Democrats were astonished by the Howard Government decision to use the legitimate criticisms of aspects of the draft bill as a basis for throwing out the whole lot.

The Democrats will continue to consistently argue in Federal Parliament that all business entities should be taxed on the same basis regardless of the way in which they structure their affairs.

Mass Marketed Tax Schemes

As some of you may be aware, the Senate Economics References Committee tabled its interim report relating to its 'Inquiry into Mass Marketed Tax Effective Schemes and Investor Protection' in June. One of the key conclusions of the much-awaited interim report was that the committee members were "not convinced that the ATO is on firm ground in imposing interest and high penalty charges retrospectively on taxpayers in order to compensate the revenue ..."

The committee focused on nine issues in the interim report conclusion and all would be further explored for the final report. In brief, the committee considers:

- recent ATO initiatives towards participants in mass marketed schemes to be long overdue;
- a large number of participants fit the ATO's general criteria for entitlement to an interest cut;
- there is a case for suspending the accrual of interest on the tax debts of participants selected as test cases;

This is an enormous issue which affects nearly 65,000 taxpayers, about 300 schemes and \$5 billion in tax deductions. Too many people are hurting and that is why I have urged the committee to work quickly and effectively to present a final report. The Federal Government too, must act as a co-ordinator on this issue and help to end the uncertainty.

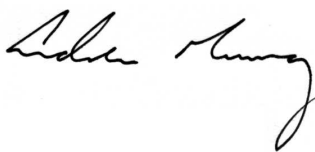
I will be travelling to Kalgoorlie early this month to meet with Kalgoorlie residents who have been adversely affected. As a committee member, I believe it is important that people have direct input into the process.

The Democrats' position on the issues relating to mass marketed schemes is simple – a taxpayer who took all responsible steps to act within the law, who took professional advice from accountants, lawyers, tax and financial planners, who relied on tax rulings (even if in draft), and who has a previously good tax record, is entitled to be accepted as someone who acted in good faith. Such a person is not a tax cheat.

However, the full force of the law must be directed at the serial tax rorters, and those scheme promoters and professional advisers who conned honest people out of their money.

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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