



The Right To Know

Openness, accountability, transparency and the public interest are essential principles and protections in a democracy

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Senator Andrew Murray
Australian Democrats
Senator for Western Australia

Spokesperson for the portfolios of

- Accountability
- Electoral Matters & Public Administration
- Taxation, Finance & Corporate Affairs
- Public Service
- Workplace Relations
- Customs

Address:
51 Ord Street
West Perth WA 6005
P: 08 9481 1455
F: 08 9481 1679

Website:
www.andrewmurray.org.au

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Government advertising abuse diverts tax cash from services

A tsunami of government advertising washed over Australia last year.

Our televisions, radios and mailboxes were flooded with Government advertising relating to its industrial relations reform campaign, WorkChoices.

I consider the WorkChoices campaign to be the most flagrant, and aggressive abuse of executive authority in advertising by the Coalition Government.

In December last year the Finance and Public Administration References Committee tabled its Report into Government Advertising and Accountability. It made 13 recommendations which the Australian Democrats supported in full.

I seized this opportunity to tell it as it is - to make known that the government's deliberate abuse of taxpayers funds and accountability mechanisms had been noted and warranted public and political exposure.

I share an extract of my Senate tabling speech with you because it exposes the

reality of the government's abuse of your money. Read it and then mourn the death of government accountability mechanisms in Australia.

"This report lays bare the aggressive misuse of money by the Coalition Government. It lays bare its defiance of proper accountability mechanisms. It lays bare the failure and powerlessness of the Parliament in controlling or restraining government spending on politically contentious advertising activities. It lays bare how the appropriations process has been perverted to permit almost 'anything goes' in spending in this area.

The report must now form the foundation of a strong, consistent and political campaign to try to

implement water-tight accountability mechanisms for government advertising. It must become the catalyst for political accountability activism involving elected parliamentarians, the media, the community and all citizens.

The issue concerns all Australians because it affects all Australians. Because the tens of millions of dollars that are poured into partisan television and radio commercials, newspaper ads, flashy booklets and flyers are diverted from funding essential services and infrastructure. If we want more money for health, if we want more money for education, if we want more money for the environment and our roads

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"The Work Choices campaign is the most flagrant and aggressive abuse of executive authority in advertising by the Coalition Government."

Government advertising abuse

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then we have to demand that the Coalition Government reign in its spending on improper government advertising.

The committee found that: "expenditure on Commonwealth government advertising has climbed steadily since 1991-92. Between 1991-92 and 1995-96, the average yearly expenditure through the Central Advertising System was \$85.6 million. Between 1996-97 and 2003-04, the average yearly expenditure was \$126.75 million."

The committee also found that: "excluding the bi-partisan advertising campaigns for Defence Force Recruitment, the next nine most expensive advertising campaigns since 1991 have been conducted by the Howard Government."

It is critical to note that the Committee determined that: "the expenditure figures clearly show that the current Commonwealth Government spending on advertising is excessive and that the cost to taxpayers of such expenditure is steadily increasing. The recent advertising campaign on the government's proposed workplace reforms, the WorkChoices campaign, provides a clear example of this government's wasteful expenditure and politically partisan advertising."

I consider the WorkChoices campaign to be the most flagrant, and aggressive abuse of executive authority in advertising thus far by the Coalition Government. Consider the facts:

The campaign is estimated to have cost as much as the total government advertising expenditure for 1996-97. The cash register is still tallying purchases, but so far it looks like about \$55 million.

The campaign involved published and broadcast advertisements in July 2005 and from 9 to 30 October 2005—months before the legislation was introduced into the parliament.

The campaign advertisements stated opinion as facts. The campaign provided no evidence to support the Coalition Government assertions. The campaign provided no information about when the legislation was to be introduced or what effects it would have on individuals.

Let's refresh our memory about the WorkChoices 'pulping' incident. The 'pulping' incident sounds horrific because it is horrific.

The simple facts are these: "Six million information booklets were printed for distribution. At 3 November 2005, 157,500 of the six million booklets had been ordered and just over 178,000 had been dispatched. This meant that about 5.8 million booklets were left in the warehouse.

A further 458,000 booklets were pulped at a cost of \$152,944. The pulping of the booklets occurred as a result of a government decision, so that the word 'fairer' could be inserted into the title, 'A simpler, fairer, national Workplace Relations System for Australia.'

I put to the Senate that there is nothing fair about such a blatant abuse of taxpayer money and that this demonstrated blatant disregard for the principles of accountability and stewardship in government spending must stop.

I am proud of the fact that the Australian Democrats have long championed the need for greater controls and accountability in government advertising. I am proud of the role our party has played in working to ensure this abuse of power has become a major political issue that needed to be examined.

In October 2003 the Democrats successfully moved a joint Senate notice of motion with Labor support enforcing an order for tougher controls on government advertising.

However, the Government has simply refused to comply with the order. The repeated abuse of the order is an affront to the Senate, an affront to accountability and an affront to our democracy."

The Democrats consider the Finance and Public Administration References Committee Report into Government Advertising and Accountability to be a landmark report.

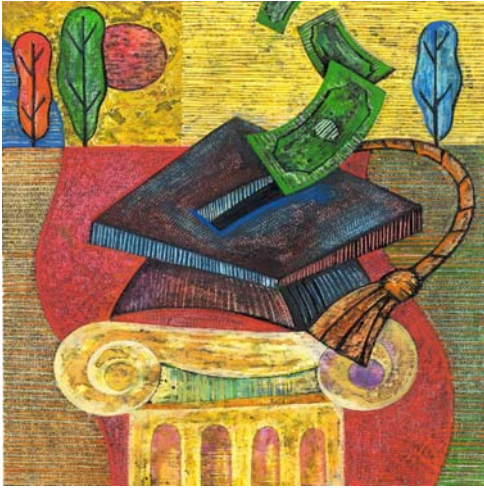
It warrants remembering because it is perhaps, the last report of its kind that will be tabled in the Senate for many years of Coalition dominance to come.

The Senate is not as it was.

Our democracy is not as it was.

"The repeated abuse of the Senate order ... is an affront to accountability and an affront to our democracy."

Report fails to tackle political donations governance and disclosure



Late last year the Joint Standing Committee on Electoral Matters released its report on the conduct of the 2004 Federal Election.

I am a long-term member of that committee and consider it to play a critical accountability role in the workings of our democracy.

As a member of a minor party on a major party dominated committee I regret that my ability to instigate reform is limited. That said it does not limit the Australian Democrats ability to contribute and initiate debate about the need for electoral reform.

The report fails our democracy as it does not attend to fundamental political governance, political donation and disclosure issues. That is a problem for Australia. Despite successive references by the Senate to the committee over several years for inquiries into political

funding and disclosure, the committee has failed to pursue these matters to their conclusion.

This, in my view, reflects a political cultural problem as much as anything, where inertia in this respect is encouraged by a fear that reform will hurt self-interest. The institutional self-interest of political parties and their party organizations often acts against reforms to political governance and funding disclosure being adopted to advocated. I cannot recall one single instance of improved accountability or transparency in political funding and disclosure initiated by the Federal Coalition Government in its 10 years in office. The relatively minor changes that have occurred have been a result of Senate amendments.

Coalition Government inertia in these matters is in complete contrast to major changes in this field in fellow democracies like Canada, the United Kingdom and the United States.

The committee's report has tended to focus on statistical, technical, administrative and functional matters and that is why the Democrats have addressed the key issues of political governance, constitutional reform, government and political advertising, funding and disclosure as well as other matters in our supplementary remarks to the report..

If you would like a copy of our supplementary remarks to the report please call my office.

“The institutional self-interest of political parties and their organizations often acts against reforms to political governance and funding disclosure being adopted or advocated.”

One million reasons for reform

Rich people and one million dollars are not easily parted. Yet that is how much British citizen, Lord Michael Ashcroft donated to the Liberal Party in the 2004-05 financial year.

The donation is believed to be the largest single donation from an individual

in Australian political history and it was recently revealed in the Australian Electoral Commission's 2004-05 funding and disclosure report.

The revelation of the overseas donation has ruffled some feathers but it has not attracted the outrage it

warrants. Former Liberal Party president, Mr Shane Stone, who secured Lord Ashcroft's donation claims it was merely a personal donation and this lord has no business interests in Australia.

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One million reasons for reform

Australians are right to ask what such donations actually buy—just friendship and gratitude, or access and influence?

Lord Ashcroft reportedly sparked outcries in the 1990s when he kept the Conservative Party financially afloat while living as a tax exile in the Central American state of Belize. Lord Ashcroft is reported to still have many business interests in Caribbean tax havens. In Britain, where foreign political donations are now banned, Lord Ashcroft was reported as the person who essentially prompted such a ban—a ban which was referred to by some as the “Ashcroft clause.”

The Democrats have long called for donations from overseas entities to be banned. The fundamental principle of Australian electoral funding law is that the Australian Electoral Commission must be able to verify the nature and source of significant political donations. Offshore based foundations, trusts, clubs or individuals funded from tax havens making political donations to Australian political parties are a real danger, because those who are behind entities are often hidden and beyond the reach of Australian law.

A number of democracies including the United States, New Zealand, Canada and the United Kingdom ban foreign donations to domestic political parties to stop foreign influence in domestic political affairs.

Under British law, a donation of more than £200 or \$AU470 is allowed only if it comes from a person eligible to enrol to vote in Britain or from registered corporations operating in Britain. Similarly, in the United States it is unlawful for foreign nationals to make donations. United States citizens living abroad can donate.

It begs the question, when will Australia follow their lead?

I believe it will only happen when the media start to put pressure on about this fundamental democratic principle. Otherwise, self-interest will mean that it just will not happen.

In the last seven years, foreign donations totalling \$2 million have come in from the Channel Islands, New Zealand, Sweden, the Philippines, Great Britain, Lichtenstein, Germany, China, Hong Kong, the United States, Japan, India, Fiji and Taiwan.

I wonder if the government is aware of increasing public

concern about the fact that our democracy is for sale. Australian citizens think there must be no foreign interference or influence in Australian domestic politics. It is a big issue in other countries and it should be a big issue here too.

In February I drew this issue to the attention of the government during Senate Question Time.

I will share with you the critical part of the response of the Minister representing the Special Minister of State, Senator Eric Abetz:

“If there is a suggestion that all international donations should be stopped, that might be something that the Joint Standing Committee on Electoral Matters, or other people, might want to look at. As far as I am aware, it is not on the government’s agenda to do that, because we in general terms believe that that sort of funding flow is appropriate, and it seem that the parties have received benefits from all sources.”

“Australians think there must be no foreign interference in Australian domestic politics. It is a big issue in other countries and it should be a big issue here too.”

AWB - a troubling AGM

I recently attended part of the Annual General Meeting (AGM) of the Australian Wheat Board (AWB). It was a useful opportunity to observe the functioning of an AGM.

I thought that since the conduct of the Chair and many of the Board is the concern of the Cole Inquiry, that there was a direct conflict of interest in the Chair deciding procedural and other matters relating to the wheat scandal at the AGM. The Chair should have recused himself and deferred such issues to an independent Chair.

This shows a weakness in Corporations law, since there is no requirement for independent chairing of meeting when such conflicts arise. And therefore, faced with a determined Chair, legitimate interests find no effective means of expression or decision.

It is clear that this aspect of Corporations law much again be reviewed.