

ELECTORAL MATTERS COMMITTEE OF PARLIAMENT
REPORT ON THE INQUIRY INTO POLITICAL DONATIONS AND
DISCLOSURE
GOVERNMENT RESPONSE

Recommendation 1: The Victorian and Commonwealth Governments consider how best to harmonise political finance laws to ensure a uniform and consistent approach.

The Victorian Government agrees that a harmonised approach to political finance laws is desirable.

On 17 December 2008, the then Cabinet Secretary and Special Minister of State, Senator the Hon John Faulkner, released the *Electoral Reform Green Paper - Donations, Funding and Expenditure* for public comment. This Green Paper process is focused on the Commonwealth electoral funding and disclosure system. The Federal Government has sought the cooperation of the states and territories in progressing reforms across all similar systems operating in Australia. State and territory ministers were consulted in the preparation of this Green Paper and will be consulted further in respect of the submissions received and the directions that those submissions suggest governments should take on political finance laws.

Recommendation 2: The Victorian Government updates the caps on political donations contained in the Electoral Act 2002(Vic) in light of forthcoming changes to the structure of licensing of electronic gaming machines.

In Victoria, the *Electoral Act 2002* provides for the capping of political donations from holders of casino and gaming licences. Essentially the holders of such licences cannot donate more than \$50,000 in each financial year to a political party registered in Victoria.

The *Gambling Regulation Amendment (Licensing) Act 2009*, which was passed by Parliament in March 2009, provides for the transition from the duopoly that exists between the two electronic gaming machine licence holders to a venue operator system. Following the expiry of the existing gaming operators' licences in 2012, the state will not issue any further gaming operator licences.

Rather, approved hotels and clubs will be able to bid directly for 10-year gaming machine entitlements.

To retain the original intent of the gaming provisions the Government will amend the *Electoral Act 2002* to apply the cap on donations to all holders of gaming machine entitlements.

Recommendation 3: The Victorian Government amend the Electoral Act 2002 (Vic) to ensure that the reporting and disclosure provisions that apply federally to registered political parties, also apply to independent candidates and political parties registered in Victoria.

The *Commonwealth Electoral Act 1918* requires federally registered political parties to submit returns to the Australian Electoral Commission each year that must include details of their receipts over a threshold, their total payments and their debts for the financial year.

The *Electoral Act 2002* requires those political parties registered in Victoria, and which are also federally registered, to lodge a copy of their annual return under the *Commonwealth Electoral Act 1918* with the Victorian Electoral Commission. However, parties registered at the State level only, and independent candidates for State elections, have no disclosure requirements.

While this recommendation is supported in principle, amending *the Electoral Act 2002*, as recommended by the Electoral Matters Committee, would mean creating a separate Victorian disclosure system. This has resource implications for the Victorian Electoral Commission and may result in disparity with the Commonwealth requirements in respect of disclosure. The Victorian Government considers it preferable to await national developments in respect of harmonisation before consideration is given to amending the Act as recommended.