

ELECTORAL AMENDMENT BILL 2020

Introduction and First Reading

Bill introduced, on motion by **Mr J.R. Quigley (Attorney General)**, and read a first time.

Explanatory memorandum presented by the Attorney General.

Second Reading

MR J.R. QUIGLEY (Butler — Attorney General) [10.29 am]: I move —

That the bill be now read a second time.

The primary purpose of this bill is to give effect to the McGowan government's election commitments to improve disclosure laws around political donations, ensure more timely disclosure of those donations and introduce expenditure caps for election campaigns. It will also place a total ban on foreign donations in WA. Western Australian electors deserve to know that those with the deepest pockets should not be able to spend their way to influence an election. This bill will ensure the public have confidence in the accountability, transparency and integrity of elections in Western Australia.

I will now outline the major features of the bill. Currently, political parties and their associated entities are required to disclose donations and gifts received on an annual basis. Political parties and their associated entities will be required to submit quarterly returns. These stakeholders will then have 10 business days from the end of the quarter to submit their return to the Electoral Commission. These returns will be published online as soon as practicable by the Electoral Commission.

The political donation threshold in Western Australia is currently \$2 500 per annum. All donations above this amount must record the details of the donor. However, political parties and associated entities that are registered both within the state and federally can satisfy state requirements by providing a federal return. Importantly, the federal disclosure donation threshold is \$14 000. Under this bill, the political donation threshold will be reduced to \$1 000 and the ability to use a federal return for state purposes will no longer be an option. All political parties in Western Australia will have to operate under the new \$1 000 disclosure threshold. This amendment is in line with the McGowan Labor government's clear commitment to increase transparency around political donations.

In addition, the post-election disclosure reporting requirement will be reduced. Currently, political parties and candidates have 15 weeks to submit a return to the Electoral Commission detailing their electoral expenditure and any gifts they have received. To increase transparency and to fulfil an election commitment, the Electoral Act will be amended so that political parties and candidates will have 12 weeks after election day to submit a return to the Electoral Commission.

Importantly, this bill will deliver expenditure caps for the first time in WA. Unlike other jurisdictions, such as New South Wales, South Australia and now Queensland, there has been no cap on expenditure in WA to date. This lack of an expenditure cap gives capacity for a single group or individual to spend large sums and buy a platform that exceeds the reach of both the minor and major political parties. From 1 October this year, expenditure shall be capped before the general election on 13 March 2021 and indexed to CPI for each subsequent financial year. The capped period will conclude on polling day. The period of capped expenditure will continue for subsequent elections from 1 October of the year preceding that election to election day. The expenditure cap will be applied as follows. A registered political party will be able to spend \$125 000 per Legislative Assembly district being contested. A registered political party will be able to spend \$125 000 per Legislative Council region being contested. Political parties may spend over the capped amount in a particular district or region, although this overspend would need to be accounted for by a reduction in expenditure in other contested districts or regions. Legislative Council groups will be capped at \$125 000 per region. Independent candidates will be capped at \$125 000 for a region or a district. Other entities that are not political parties, candidates, or Legislative Council groups will be capped at \$2 million.

There will be significant consequences, both civil and criminal, should a person exceed these expenditure caps. First, an amount equal to twice the exceedance will be payable to the state by the party, candidate, group or person subject to the expenditure cap and may be recovered as a debt, due to the state, by action against them or their agent. Second, there are criminal offences for a contravention of an applicable expenditure cap. The maximum penalty for the aggravated offence is two years' imprisonment and a maximum fine equal to three times the exceedance or \$36 000, if three times the exceedance is less than \$36 000. If a body corporate commits the aggravated offence, then by operation of the Sentencing Act 1995, they are liable to a fine of five times the maximum fine that could be imposed on a natural person convicted of the same offence.

This bill will also introduce a ban on foreign donations. It will be unlawful to accept a political donation unless the donor is an Australian resident or citizen, or has an Australian business number. It is intended that foreign donations will be banned on the basis that foreign donors should not be able, or have a right, to influence domestic policy. This ensures that for those parties that are registered only in WA, the ban on foreign donations already in effect federally will also apply.

Lastly, there are some minor associated administrative changes to the Electoral Act.

This government promised fairness across the entire political system. No single entity is being targeted here; these rules are for everyone, and this bill is about transparency, integrity and accountability. Voters have a right to know as much as possible about candidates and political parties before polling day, including who is funding them. Tightening the rules around financial disclosure will give voters greater confidence in the Western Australian electoral process. I look forward to the support of all in the chamber on these important reforms. I commend the bill to the house.

Debate adjourned, on motion by **Mr P.A. Katsambanis**.