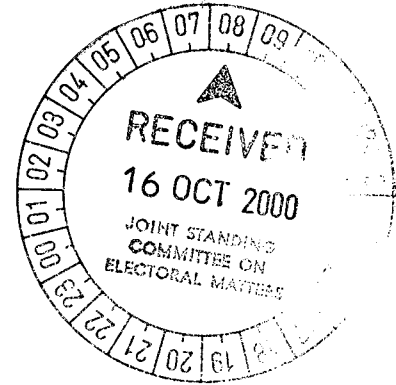


National Party of Australia

Federal Secretariat

Joint Standing Committee on Electoral Matters	
Submission No.	5
Date Received	16 Oct 2000
Secretary	B. J. L. M.



12 October 2000

The Secretary
Joint Standing Committee on Electoral Matters
Parliament House
Canberra ACT 2600

Dear Sir/Madam,

I wish to submit the attached summary of the submission that the National Party of Australia wishes to make to your Electoral Funding and Disclosure Inquiry.

A more detailed submission may be forthcoming should the Federal Management Committee of the Party so decide.

I believe this summary is most likely sufficient for our purposes.

Yours sincerely

Mr A J (Sandy) MacKenzie
Federal Treasurer
National Party of Australia

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National Party of Australia

Summary of Submission to the Electoral Funding and Disclosure Inquiry

The National Party of Australia (NPA) disagrees with the following recommendations either as a matter of principle or as a matter of further clarification being sought.

AEC 1996 Recommendations

No 5

The NPA does not believe that the agent of the party should be legally required to determine whether a financial transaction is a donation or not. The agent should not have to assume or interpret the intent of the other party that is involved in the transaction.

There is no clear definition of what constitutes a donation in a number of circumstances. For example:

Receipts for attendance at functions or conferences where an interpretation may have to be made as to what is "*...excessive compared to what is received*" (Page 3 Third Parties Handbook).

Where a third party hosts a function with a Minister as the guest speaker, the onus should remain with the third party as to whether their intent was to benefit a particular party or whether they were facilitating an opportunity for senior policy makers to meet with senior business people to exchange views on matters of significance to both parties.

Where donations are made by associates, branches or subsidiaries of companies, the party agent should not be held legally responsible for establishing what is the parent entity for the purposes of disclosure.

AEC 1998 Recommendations

No 4

The NPA notes that an associated entity may operate for the benefit of more than one political party.

No 6

The NPA believes this recommendation should be separated into more than one recommendation.

Dot point one - NPA agrees

Dot point three - NPA disagrees on the basis of how a commercial value can be determined eg sitting beside the Treasurer at lunch compared to a backbencher.

Dot point two - NPA disagrees and makes the following points

- some associated entities support more than one party.
- what is the definition of distributed funds?
- how is the value of entitlements/benefits established (see example above)?
- what happens in the case where less than 50% of funds are distributed in one financial year and more than 50% of funds in another financial year?

-2-

No 7

The NPA believes this recommendation assumes that an associated entity only exists to benefit one or more political parties. Some associated entities exist to benefit organisations other than (or as well as) political parties and thus should not be prohibited from receiving anonymous donations in the same way as applies to political parties. It is quite common, for example with testamentary gifts, for anonymity to be an expressed condition of the gift and binding on the recipient.

No 11

The NPA strongly disagrees and believes that all donors should be subject to the same standard procedures.

The AEC (page 21) refers to blanket auditing being intrusive, of little value and discouraging of donations.

At what arbitrary figure are these 'disadvantages' negated by the 'advantages' of audit for substantial donors? The NPA would argue that those donors deemed to be substantial may well believe that the AEC regards them as more likely to be in receipt of favorable treatment.

No 12

The NPA is not aware of what is meant by a contingent debt.

No 16

The NPA would require clarification of what constitutes minimum rules.



Mr A J MacKenzie
Federal Treasurer
National Party of Australia

13 October 2000

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