



The Liberal Party of Australia

FEDERAL SECRETARIAT

FEDERAL DIRECTOR
Brian Loughnane

18 April 2008

**Committee Secretary
Joint Standing Committee on Electoral Matters
Parliament House
CANBERRA ACT 2600**

Dear Sir

The purpose of this letter is to advise the Joint Standing Committee on Electoral Matters of the view of the Liberal Party regarding the Inquiry into Schedule 1 of the Tax Laws Amendment (2008 Measures No. 1) Bill 2008.

The Liberal Party does not believe the Schedule should be considered by the Parliament at this time. The Government has indicated its intention to bring forward a Green Paper later this year considering a range of issues including the funding of political parties. As tax deductibility of political donations is only one part of the legislative and policy framework in this area, it would not be in the interests of good public policy for this matter to be dealt with in isolation from other matters expected to be canvassed by the Green Paper.

In the context of the present framework for political finance, the Liberal Party believes the changes made during the previous Parliament to extend the tax deductibility provisions for political donations are operating as intended by the legislation and, without evidence to the contrary, changes would disadvantage donors.

If tax deductibility is to be reviewed, this should only occur as part of an overall review of the laws governing political donations. JSCEM has the task of doing just that as part of its review of the 2007 election, and any review of tax deductibility should only occur as part of that inquiry.

The Liberal Party urges JSCEM to recommend that this matter not proceed at the present time.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Brian Loughnane', with a stylized flourish at the end.