

**PARLIAMENT OF VICTORIA**

**PARLIAMENTARY DEBATES  
(HANSARD)**

**LEGISLATIVE COUNCIL**

**FIFTY-EIGHTH PARLIAMENT**

**FIRST SESSION**

**Friday, 22 June 2018**

**(Extract from book 9)**

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## **The Governor**

The Honourable LINDA DESSAU, AC

## **The Lieutenant-Governor**

The Honourable KEN LAY, AO, APM

## **The ministry**

(from 16 October 2017)

Premier . . . . .	The Hon. D. M. Andrews, MP
Deputy Premier, Minister for Education and Minister for Emergency Services . . . . .	The Hon. J. A. Merlino, MP
Treasurer and Minister for Resources . . . . .	The Hon. T. H. Pallas, MP
Minister for Public Transport and Minister for Major Projects . . . . .	The Hon. J. Allan, MP
Minister for Industry and Employment . . . . .	The Hon. B. A. Carroll, MP
Minister for Trade and Investment, Minister for Innovation and the Digital Economy, and Minister for Small Business . . . . .	The Hon. P. Dalidakis, MLC
Minister for Energy, Environment and Climate Change, and Minister for Suburban Development . . . . .	The Hon. L. D' Ambrosio, MP
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Minister for Tourism and Major Events, Minister for Sport and Minister for Veterans . . . . .	The Hon. J. H. Eren, MP
Minister for Housing, Disability and Ageing, Minister for Mental Health, Minister for Equality and Minister for Creative Industries . . . . .	The Hon. M. P. Foley, MP
Minister for Health and Minister for Ambulance Services . . . . .	The Hon. J. Hennessy, MP
Minister for Aboriginal Affairs, Minister for Industrial Relations, Minister for Women and Minister for the Prevention of Family Violence . . . . .	The Hon. N. M. Hutchins, MP
Special Minister of State . . . . .	The Hon. G. Jennings, MLC
Minister for Consumer Affairs, Gaming and Liquor Regulation, and Minister for Local Government . . . . .	The Hon. M. Kairouz, MP
Minister for Families and Children, Minister for Early Childhood Education and Minister for Youth Affairs . . . . .	The Hon. J. Mikakos, MLC
Minister for Police and Minister for Water . . . . .	The Hon. L. M. Neville, MP
Attorney-General and Minister for Racing . . . . .	The Hon. M. P. Pakula, MP
Minister for Agriculture and Minister for Regional Development . . . . .	The Hon. J. L. Pulford, MLC
Minister for Finance and Minister for Multicultural Affairs . . . . .	The Hon. R. D. Scott, MP
Minister for Training and Skills, and Minister for Corrections . . . . .	The Hon. G. A. Tierney, MLC
Minister for Planning . . . . .	The Hon. R. W. Wynne, MP
Cabinet Secretary . . . . .	Ms M. Thomas, MP

### Legislative Council committees

**Privileges Committee** — Mr Dalidakis, Mr Mulino, Mr O’Sullivan, Mr Purcell, Mr Rich-Phillips, Ms Springle, Ms Symes and Ms Wooldridge.

**Procedure Committee** — The President, Dr Carling-Jenkins, Mr Davis, Mr Jennings, Ms Pennicuik, Ms Pulford, Ms Tierney and Ms Wooldridge.

### Legislative Council standing committees

**Standing Committee on the Economy and Infrastructure** — Mr Bourman, #Mr Davis, Ms Dunn, Mr Eideh, Mr Finn, Mr Gepp, Mr Leane, #Mr Melhem, Mr Ondarchie, Mr O’Sullivan and #Mr Rich-Phillips.

**Standing Committee on the Environment and Planning** — Ms Bath, #Mr Bourman, Mr Dalla-Riva, Mr Davis, #Ms Dunn, Mr Elasmarr, Mr Melhem, Mr Mulino, #Mr Purcell, #Mr Ramsay, #Dr Ratnam, #Ms Symes, Ms Truong and Mr Young.

**Standing Committee on Legal and Social Issues** — #Ms Crozier, #Mr Elasmarr, Ms Fitzherbert, Mr Morris, Ms Patten, Mrs Peulich, #Dr Ratnam, #Mr Rich-Phillips, Ms Shing, Mr Somyurek, Ms Springle and Ms Symes.

# participating members

### Legislative Council select committees

**Port of Melbourne Select Committee** — Mr Mulino, Mr Ondarchie, Mr Purcell, Mr Rich-Phillips, Ms Shing and Ms Tierney.

**Fire Services Bill Select Committee** — Ms Lovell, Mr Melhem, Mr Mulino, Mr O’Sullivan, Mr Rich Phillips, Ms Shing and Mr Young.

### Joint committees

**Accountability and Oversight Committee** — (*Council*): Mr O’Sullivan, Mr Purcell and Ms Symes. (*Assembly*): Mr Angus, Mr Gidley, Mr Noonan and Ms Thomson.

**Dispute Resolution Committee** — (*Council*): Mr Bourman, Mr Dalidakis, Ms Dunn, Mr Jennings and Ms Wooldridge. (*Assembly*): Ms Allan, Mr Clark, Ms Hutchins, Mr Merlino, Mr M. O’Brien, Mr Pakula and Mr Walsh.

**Economic, Education, Jobs and Skills Committee** — (*Council*): Mr Bourman, Mr Elasmarr and Mr Melhem. (*Assembly*): Mr Crisp, Mrs Fyffe, Ms Garrett and Ms Ryall.

**Electoral Matters Committee** — (*Council*): Ms Bath, Ms Patten and Mr Somyurek. (*Assembly*): Ms Asher, Ms Blandthorn, Mr Dixon and Ms Spence.

**Environment, Natural Resources and Regional Development Committee** — (*Council*): Mr O’Sullivan, Mr Ramsay and Mr Young. (*Assembly*): Mr J. Bull, Ms Halfpenny, Mr Richardson and Mr Riordan.

**Family and Community Development Committee** — (*Council*): Dr Carling-Jenkins and Mr Finn. (*Assembly*): Ms Britnell, Ms Couzens, Mr Edbrooke, Ms Edwards and Ms McLeish.

**House Committee** — (*Council*): The President (*ex officio*), Mr Eideh, Ms Lovell, Mr Mulino and Mr Young. (*Assembly*): The Speaker (*ex officio*), Mr J. Bull, Mr Crisp, Mrs Fyffe, Mr Staikos, Ms Suleyman and Mr Thompson.

**Independent Broad-based Anti-corruption Commission Committee** — (*Council*): Mr Ramsay and Ms Symes. (*Assembly*): Mr Hibbins, Mr D. O’Brien, Mr Richardson, Ms Thomson and Mr Wells.

**Law Reform, Road and Community Safety Committee** — (*Council*): Dr Carling-Jenkins and Mr Gepp. (*Assembly*): Mr Dixon, Mr Howard, Ms Suleyman, Mr Thompson and Mr Tilley.

**Public Accounts and Estimates Committee** — (*Council*): Ms Patten, Ms Pennicuik and Ms Shing. (*Assembly*): Mr Dimopoulos, Mr Morris, Mr D. O’Brien, Mr Pearson, Mr T. Smith and Ms Ward.

**Scrutiny of Acts and Regulations Committee** — (*Council*): Ms Bath and Mr Dalla-Riva. (*Assembly*): Ms Blandthorn, Mr J. Bull, Mr Dimopoulos, Ms Kilkenny and Mr Pesutto.

### Heads of parliamentary departments

*Assembly* — Acting Clerk of the Legislative Assembly: Ms Bridget Noonan

*Council* — Acting Clerk of the Parliaments and Clerk of the Legislative Council: Mr A. Young

*Parliamentary Services* — Secretary: Mr P. Lochert

**MEMBERS OF THE LEGISLATIVE COUNCIL**  
**FIFTY-EIGHTH PARLIAMENT — FIRST SESSION**

**President:**

The Hon. B. N. ATKINSON

**Deputy President:**

Mr K. EIDEH

**Acting Presidents:**

Ms Dunn, Mr Elasmr, Mr Melhem, Mr Morris, Ms Patten, Mr Purcell, Mr Ramsay

**Leader of the Government:**

The Hon. G. JENNINGS

**Deputy Leader of the Government:**

The Hon. J. L. PULFORD

**Leader of the Opposition:**

The Hon. M. WOOLDRIDGE

**Deputy Leader of the Opposition:**

The Hon. G. K. RICH-PHILLIPS

**Leader of The Nationals:**

Mr L. B. O'SULLIVAN

**Leader of the Greens:**

Dr S. RATNAM

Member	Region	Party	Member	Region	Party
Atkinson, Mr Bruce Norman	Eastern Metropolitan	LP	Mikakos, Ms Jenny	Northern Metropolitan	ALP
Barber, Mr Gregory John <sup>1</sup>	Northern Metropolitan	Greens	Morris, Mr Joshua	Western Victoria	LP
Bath, Ms Melina <sup>2</sup>	Eastern Victoria	Nats	Mulino, Mr Daniel	Eastern Victoria	ALP
Bourman, Mr Jeffrey	Eastern Victoria	SFFP	O'Brien, Mr Daniel David <sup>8</sup>	Eastern Victoria	Nats
Carling-Jenkins, Dr Rachel <sup>3</sup>	Western Metropolitan	AC	O'Donohue, Mr Edward John	Eastern Victoria	LP
Crozier, Ms Georgina Mary	Southern Metropolitan	LP	Ondarchie, Mr Craig Philip	Northern Metropolitan	LP
Dalidakis, Mr Philip	Southern Metropolitan	ALP	O'Sullivan, Luke Bartholomew <sup>9</sup>	Northern Victoria	Nats
Dalla-Riva, Mr Richard Alex Gordon	Eastern Metropolitan	LP	Patten, Ms Fiona <sup>10</sup>	Northern Metropolitan	RV
Davis, Mr David McLean	Southern Metropolitan	LP	Pennicuik, Ms Susan Margaret	Southern Metropolitan	Greens
Drum, Mr Damian Kevin <sup>4</sup>	Northern Victoria	Nats	Peulich, Mrs Inga	South Eastern Metropolitan	LP
Dunn, Ms Samantha	Eastern Metropolitan	Greens	Pulford, Ms Jaala Lee	Western Victoria	ALP
Eideh, Mr Khalil M.	Western Metropolitan	ALP	Purcell, Mr James	Western Victoria	VILJ
Elasmr, Mr Nazih	Northern Metropolitan	ALP	Ramsay, Mr Simon	Western Victoria	LP
Finn, Mr Bernard Thomas C.	Western Metropolitan	LP	Ratnam, Dr Samantha Shantini <sup>11</sup>	Northern Metropolitan	Greens
Fitzherbert, Ms Margaret	Southern Metropolitan	LP	Rich-Phillips, Mr Gordon Kenneth	South Eastern Metropolitan	LP
Gepp, Mr Mark <sup>5</sup>	Northern Victoria	ALP	Shing, Ms Harriet	Eastern Victoria	ALP
Hartland, Ms Colleen Mildred <sup>7</sup>	Western Metropolitan	Greens	Somyurek, Mr Adem	South Eastern Metropolitan	ALP
Herbert, Mr Steven Ralph <sup>6</sup>	Northern Victoria	ALP	Springle, Ms Nina	South Eastern Metropolitan	Greens
Jennings, Mr Gavin Wayne	South Eastern Metropolitan	ALP	Symes, Ms Jaclyn	Northern Victoria	ALP
Leane, Mr Shaun Leo	Eastern Metropolitan	ALP	Tierney, Ms Gayle Anne	Western Victoria	ALP
Lovell, Ms Wendy Ann	Northern Victoria	LP	Truong, Ms Huong <sup>12</sup>	Western Metropolitan	Greens
Melhem, Mr Cesar	Western Metropolitan	ALP	Wooldridge, Ms Mary Louise Newling	Eastern Metropolitan	LP
			Young, Mr Daniel	Northern Victoria	SFFP

<sup>1</sup> Resigned 28 September 2017

<sup>2</sup> Appointed 15 April 2015

<sup>3</sup> DLP until 26 June 2017

<sup>4</sup> Resigned 27 May 2016

<sup>5</sup> Appointed 7 June 2017

<sup>6</sup> Resigned 6 April 2017

<sup>7</sup> Resigned 9 February 2018

<sup>8</sup> Resigned 25 February 2015

<sup>9</sup> Appointed 12 October 2016

<sup>10</sup> ASP until 16 January 2018

<sup>11</sup> Appointed 18 October 2017

<sup>12</sup> Appointed 21 February 2018

**PARTY ABBREVIATIONS**

AC — Australian Conservatives; ALP — Labor Party; ASP — Australian Sex Party;  
DLP — Democratic Labour Party; Greens — Australian Greens;  
LP — Liberal Party; Nats — The Nationals; RV — Reason Victoria  
SFFP — Shooters, Fishers and Farmers Party; VILJ — Vote 1 Local Jobs



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**Friday, 22 June 2018**

The **PRESIDENT** (Hon. B. N. Atkinson) took the chair at 9.35 a.m. and read the prayer.

## RULINGS BY THE CHAIR

### Adjournment matters

The **PRESIDENT** (09:36) — Order! Last night Mr Ondarchie raised with the Acting President at the time a matter in respect of an adjournment item proposed by Mr Melhem. Mr Ondarchie's query was whether or not that action sought constituted requesting legislation. Mr Ondarchie is quite right in the sense that it is not permissible within the adjournment debate to actually seek legislation. However, perusing Mr Melhem's contribution last night, I am of the view that he asked the minister to consider what options were available. It was a matter related to the speed of vehicles and compliance with traffic rules. I am of the view that Mr Melhem's request was actually to consider a range of options. Whilst he mentioned that that might include legislation, he did not specifically ask for legislation on this occasion. I am mindful, though, that Mr Ondarchie's point is well made and a good reminder to everyone that in the adjournment debate you cannot ask for legislation.

## LAW REFORM, ROAD AND COMMUNITY SAFETY COMMITTEE

### Membership

The **PRESIDENT** (09:37) — I have received a letter from Ms Fiona Patten in respect of her membership of the Law Reform, Road and Community Safety Committee. Ms Patten writes to me and also to the Speaker:

I write to inform you that I am resigning from the Law Reform, Road and Community Safety Committee. I understand that Dr Carling-Jenkins is happy to fill this vacancy.

## BUSINESS OF THE HOUSE

### Adjournment

**Mr JENNINGS** (Special Minister of State) — I move:

That the Council, at its rising, adjourn until 12.00 p.m. on Tuesday, 24 July 2018.

**Motion agreed to.**

## LAW REFORM, ROAD AND COMMUNITY SAFETY COMMITTEE

### Membership

**Mr JENNINGS** (Special Minister of State) (09:39) — By leave, I move:

That Dr Carling-Jenkins be appointed to the Law Reform, Road and Community Safety Committee.

**Motion agreed to.**

## ELECTORAL LEGISLATION AMENDMENT BILL 2018

### Second reading

**Debate resumed from 24 May; motion of Mr JENNINGS (Special Minister of State).**

**Mr RICH-PHILLIPS** (South Eastern Metropolitan) (09:40) — Over the last two years Victorians have been appalled at the behaviour they have witnessed from a range of Labor Party MPs. In 2015 in this place we saw the start of the disclosure of what became the red shirts rorts. We saw a whistleblower talk about the way in which the Labor Party, or certain Labor Party MPs, had in an organised and deliberate fashion sought to exploit for political advantage the resources made available to members of Parliament to run their electorate offices. Following that public disclosure, that whistleblower account of what occurred, we saw the Legislative Council in November 2015 pass a resolution requiring the Ombudsman to investigate those allegations.

We then saw the government — or the government acting in the interests of the Labor Party — seek to frustrate that investigation. We had the Leader of the Government in this place write to the Ombudsman disputing that she had jurisdiction to in fact undertake that inquiry that had been referred by the Legislative Council. We then had the Ombudsman seek to have her jurisdiction confirmed by the Supreme Court, and the Victorian government acting in the interests of the Labor Party sought to dispute in the Supreme Court that she had that jurisdiction. When the Supreme Court upheld that there was jurisdiction the Victorian government in the interests of the Labor Party appealed that to the Court of Appeal, which also held that the Ombudsman had jurisdiction in respect of the referral.

Having failed in the Court of Appeal, the government, once again acting in the interests of the Labor Party, sought to appeal to the High Court. In what was, I believe, an unprecedented response by the High Court

to an appeal from an Attorney-General the High Court dismissed that appeal summarily without even hearing the case, without even hearing arguments, which I understand has not occurred before. It is a very significant undertaking for an Attorney-General, state or federal, to appeal to the High Court. For the High Court to simply dismiss that as having no merit without even hearing it indicates how poor the case was that the Victorian government was seeking to put to the High Court.

Subsequently the Ombudsman's investigation took place, and we received in this place on 21 March this year the Ombudsman's report, which outlined an organised and deliberate exercise by certain Labor Party MPs to rot electoral entitlements. I am not going to go into details of who and what, because that of course is now the subject of matters before the Privileges Committee, but we had a situation where certain Labor Party MPs were caught out rotting. We had a situation where the Labor Party sought to use the levers of government — being appeals and interventions in the Supreme Court, in the Court of Appeal and in the High Court — to prevent the investigation of that Labor rotting.

When that failed, when the Ombudsman produced her damning report, we had the Labor Party seeking to go into damage control. The day before — as we now know — that Ombudsman's report was tabled on 21 March this year we had the Labor Party suddenly repay the \$388 000 which had been rorted. That was not an act of contrition. It was not an act of recognition that Labor Party MPs had acted inappropriately, had done the wrong thing, had abused the trust that had been put in them by Victorian taxpayers; it was an act of damage control. The cheque was sent to the Department of Parliamentary Services the day before the Ombudsman's report became public for one reason and one reason only: to give the Premier and the government some attempt at a defence over what had happened in the lead-up to the 2014 election.

Between the discovery of the red shirts rorts in November 2015 and the Ombudsman's report arriving in this place this year we saw further examples of Labor Party MPs rotting the system. Of course that was at the beginning of last year when the then Speaker of the Legislative Assembly, Telmo Languiller, and the then Deputy Speaker of the Legislative Assembly, Don Nardella, were both caught out deliberately and intentionally rotting the second residence allowance — metropolitan members of Parliament claiming to live in country areas in order to claim an entitlement to a second residence allowance, an entitlement which has been made available to members of Parliament with the

intention that it be used by country members of Parliament to provide for accommodation in metropolitan Melbourne when their duties bring them to Melbourne. But no, we had two metropolitan Labor members of Parliament thinking they could claim false addresses in country areas — false addresses 80 kilometres from the city and therefore within the criteria for the second residence allowance — and claim that allowance. We subsequently saw Mr Languiller repay some \$40 000 in an attempt to hang on to his job as Speaker, but ultimately he had to resign from that office.

In an example which I think appalled Victorians even more, we saw the then Deputy Speaker, Mr Nardella, refuse to repay the \$98 000 that he had incorrectly and illegitimately claimed as a second residence allowance. He was forced from the office of Deputy Speaker but he refused to repay the money. We had the Premier beating his chest that this was outrageous and saying he would be intervening and he had told Don Nardella to resign from the Labor Party because his failure to repay that money was inappropriate — for Don Nardella to hold onto that \$98 000 was inappropriate and Daniel Andrews was acting.

In the context of those two rorts — the organised rotting through the red shirt mechanism and the individual rotting of Don Nardella and Telmo Languiller — Victorians would be appalled to know that we have a bill before the house this morning that not only seeks to legitimise the rotting we have seen from the Labor Party in the last two years but also to reward it. If this bill passes the house today as the government has drafted it, the rotting of Don Nardella will be rewarded because on Sunday week this bill, in its current form, we will see a cheque for \$10 000 land in the pocket of Don Nardella. This is the man that the Premier beat his chest about and said, 'I've got him out of the Labor Party. It's terrible what he's done', and now he wants to give him \$10 000 next Sunday and a further \$6000 in three months time.

But of course it is not only Don Nardella that the Labor government wants to benefit with this piece of legislation; it is the Labor Party itself. Having taken the step of trying to run some damage control on 21 March when the Ombudsman's report came out and having sent a cheque to parliamentary services for \$388 000 the day prior so that the Premier could get up and say, 'We didn't know what we were doing; we've repaid the money', just six weeks after repaying the money, six weeks after taking that step of damage control, the government introduced this bill to the Parliament. This bill not only puts \$10 000 in Don Nardella's pocket on Sunday week if it passes, it also ensures that the Labor

Party squares the ledger, because if this bill passes today, if this bill is supported in this place today, on Sunday week, 1 July, not only will the Labor Party get its \$388 000 back but in fact it will get \$600 000, and in three months time on 1 October it will get another \$360 000 from the taxpayer. Having gone through the exercise of damage control, having stood up and said, 'Oh, we've repaid the money and we've squared the ledger', six weeks later the government brought in a bill to ensure it gets \$960 000 back in the Labor Party's pocket prior to the election.

Today is the last scheduled sitting day for the autumn sittings. It is the last opportunity the government has to pass important legislation to address important matters which need parliamentary consideration. On Wednesday we saw the High Court strike down this government's legislation with respect to police killers, legislation which sought to deny parole to those who had killed police in Victoria. That legislation was put in place ostensibly to ensure that Craig Minogue, who was responsible for the Russell Street bombing that killed Constable Angela Taylor, would not be eligible for parole. The High Court struck that legislation down as it applies to Minogue, and now we are in a situation where Minogue is at will to apply for parole and have that parole application considered. In the last sitting week on the last sitting day of the autumn sittings, you might think it would be a priority for the government to address that defect in that legislation which means that over the winter recess Minogue can apply for parole. But it is not. The government has said, 'We'll deal with that when we come back in the spring. We don't have to worry about that now'.

You might have thought that the government, given this is 22 June, would want to pass its Appropriation (2018–2019) Bill 2018 before the expiration of the financial year and the commencement of the new financial year. But instead the government is not using the last day of the autumn parliamentary sittings to focus on fixing the defect in the legislation that could see Craig Minogue released on parole. We do not see the government focusing on passing its budget through this house before the end of the financial year. We see the government focused on a piece of legislation which will put a cheque for \$600 000 in the pocket of the secretary of the Labor Party next Sunday. That is the government's priority. Having gone through the exercise of damage control and repaying \$388 000, the Labor Party is now desperate to get that cheque for \$600 000 back in its coffers on 1 July this year. That is why we see this bill in the house today.

The government in its second reading — and I will quote the first paragraph of the minister's second-reading speech — claimed that:

The legislation being introduced today will be one of the most significant reforms of the Electoral Act 2002 (the act) since its enactment. In addition to making Victoria's electoral system clearer and more efficient and accessible, the bill gives Victoria a robust political donations and disclosure scheme that we can be proud of.

It is certainly true that this is the most significant change — it is disputable whether it is reform — to the Electoral Act 2002, but this bill is certainly not about making the electoral system clearer, more efficient and accessible. This bill is in fact about entrenching electoral and funding advantages for the Labor Party and for the Greens — and I will come to that — to the exclusion of minor parties and other parties. It is about tipping the playing field in favour of vested interests, in favour of the Labor Party in particular.

One of the things we can be very proud of in Australia at a state level and at a national level is the integrity of our electoral system, the fact that we have elections which are run independently of political parties, elections that are clean, elections that are fair and elections which are not called into question. The integrity is not called into question. I cannot recall a single instance where the integrity of an election in Australia has been called into question. That is something which we should be proud of, but it is also something which we cannot and should not be complacent about. When you think about electoral corruption, the mind often turns to the Third World, to Africa and to despotic regimes throughout the world which are seen as having tainted electoral systems, but in reality what we have in Australia, the integrity of what we have in Australia, is actually quite unique.

We only need to look at places such as the United States, which holds itself up as a bastion of democracy and holds itself up as the exemplar of democracy, to actually see the way in which even a Western political system can be manipulated and subjected to political interference. As many members of this house would know, the American electoral system at the moment, counting down to midterm Presidential elections, is certainly within the political sphere heavily focused on which party wins the majority of state governments, which party wins the majority of the governors' mansions.

The reason that is important in the American context in this political cycle is that having been through a national census in the United States, now is the time in cycle for the redrawing of congressional district

boundaries. In the United States that is not something that is done independently as it is here in Victoria with our Electoral Boundaries Commission. It is something which is done by the government of the day. So whoever controls those state governments after November's midterm elections in the United States, whoever sits in the governors' mansions for the next two years, will be the party that determines the make-up of the boundaries of the electoral districts for their state. That government, that party, will determine how those boundaries fall and therefore will determine for probably the next decade the way in which the congressional results in their state will play out.

To look at some of the congressional electoral maps in the United States, to see the way boundaries are moved and manipulated and have extensions out one side to pick up a part of a suburb and then a narrow pathway back to the majority of the district area to get a particular political outcome, is absolutely extraordinary. This is in a country which regards itself as one of the bastions of democracy in the world. The fact that that can happen in the United States, the fact that we have seen through successive presidential elections in the United States in the last decade or two interference at a state level with voting entitlements, interference at a state level with the counting of votes in presidential elections — and there have been a number of issues raised with the last presidential election and with the presidential election in 2000 — highlights how vulnerable our democracies are, how vulnerable our electoral systems are and how precious the electoral system in Australia and Victoria is that none of those concerns are ever voiced and ever need to be voiced here in Victoria.

We have an electoral system — the conduct of the elections — which is run entirely independently of political party influence, irrespective of who is running the government at the time an election is held. We have the drawing of electoral boundaries independently at a state and federal level — in Victoria's case by the electoral boundaries commissioner, entirely independently of whoever is in government at the time — and that is something which is incredibly important, it is something which is incredibly precious and it is something which we cannot be complacent about. The fact that a democracy like the United States is not able to achieve that sort of independence in those basic political functions that we have here in Australia highlights how important what we have here in Australia is.

But of course the way in which our institutions, be it the Electoral Boundaries Commission, which draws up the state boundaries, or the Victorian Electoral Commission

(VEC), which conducts elections, operate, they all operate within the framework of the legislation that the Parliament passes. That is why legislation such as the Electoral Act 2002 is so important, and that is why we cannot have legislation such as the bill before the house today which seeks not to create a level playing field, not to increase efficiency and accessibility, as the second-reading speech claims, but in fact to entrench political advantage and funding advantage for some parties over other parties.

I will turn now to the issue of funding in this bill, because what is not explicit — certainly not headlined — in the second-reading speech is the electoral funding model that this bill seeks to introduce, which is unprecedented in its cost to Victorian households and families. We know at the moment that Victorian families are experiencing significant cost-of-living pressures. We have seen enormous increases in utility costs for Victorian families — gas costs, power prices, even water prices have increased substantially under this government and, certainly with energy prices, in many respects as a consequence of the policies of this government. We have seen and we are continuing to see housing costs increase exponentially over the last 10 to 15 years in Victoria.

We are seeing the cost of the Victorian government increase substantially under this government. We now have the highest taxes of any state in Australia. In fact those taxes cost Victorian households on average \$9600 a year per household, so the burden of the Victorian government on Victorian households is very high and the cost-of-living pressures on Victorian households are also very high. So Victorian households, Victorian families, would be and should be appalled to learn that this bill before the house this morning will deliver into the pockets of political parties almost \$54 million over the next four-year electoral cycle. Between the 2018 election and the 2022 election almost \$54 million will flow into the pockets of political parties. It is no surprise who the single biggest beneficiary of that will be, and that is of course the Labor Party. We have Victorian households under considerable cost-of-living pressures. They are paying on average \$9600 a year in Victorian state taxes, and their government, in the interests of the Labor Party, is now putting out its hand for around \$54 million over the next four years to fund the political activities of parties in this state.

In 2002 we saw the introduction of the first electoral funding model in Victoria, and that was very controversial at the time. The notion that taxpayers should pay for the campaigning activities of political parties was something that did not sit well with the community. At the time the model that was introduced

saw funding of \$1.20 per first preference vote, upper house or lower house, provided a candidate achieved a threshold of 4 per cent of the primary vote cast. That \$1.20 was indexed and now is around roughly \$1.49. What we are now seeing is that model of \$1.20 — or \$1.49 indexed — per vote being replaced with a model that pays a political party \$6 for each lower house vote it receives and \$3 for each upper house vote it receives. So each individual voter casting a vote — one vote upper house, one vote lower house — is contributing \$9 to political parties, jumping from \$1.49 a vote, \$3 upper and lower, to \$9, a trebling of the per-vote funding under this model.

It is interesting to reflect on the fact that we are going from a model which currently pays the same funding for a lower house vote as an upper house vote to a model which makes a substantial differential, where a lower house vote will now be worth \$6 and an upper house vote will be worth \$3, which begs the question: which parties attract more lower house votes than upper house votes? It is fascinating not only to look at the results of the 2014 state election but also to go back further. I think the VEC publishes on its website statistics back to the 1999 election, and we see that consistently the Labor Party and the Greens attract more lower house votes than upper house votes and the Liberal Party attracts more upper house votes than lower house votes, as do most of the minor parties in this house. So what do we see? A model which does not treat the votes evenly — it now gives a 100 per cent premium on lower house votes because it is in the interests of the Labor Party and it is in the interests of the Greens and it is not in the interests of the minor parties in this place.

If it is not bad enough that we are seeing a model which currently pays \$1.49 per vote swapped for a model which values lower house votes higher than upper house votes because that suits the Labor Party and the Greens and pays in the case of lower house votes \$6 and upper house votes \$3, with the way this bill is constructed we also see double dipping. Not only will funding in respect of the 2018 election be paid under the current model — that is to say \$1.49 as indexed per vote under the current model — but we will also see, if this bill passes today, prepayment for funding for the 2022 election under this model. So next year after the election when the parties put in their returns and the Independent candidates put in their returns to the electoral commission, they will get the \$1.49 funding for the current model but they will also get 40 per cent of the payment under the new model and in the following years they will get 20 per cent and then 20 per cent and then 20 per cent. In the period 2018 to

2022 they will get funding under the current model and they will get funding under the new model.

On rough estimates that means we will see almost \$7 million paid out to parties on the current model and a further almost \$27 million prepaid under the new model. Of course the notion that it is prepaid and subject to repayment is a bit of a farce because the way this bill is structured in every election cycle there will be a prepayment. So there is the double benefit in this first election cycle between 2018 and 2022 of getting the old funding structure and a prepayment on the new funding structure and then in every subsequent election cycle there is a prepayment under the new structure, so the parties are effectively receiving the funds for that period.

So we have almost \$7 million that will be paid under the current structure and now an additional almost \$27 million under the new structure, but that was not enough for the Labor Party, that was not enough for the Greens. So we now see, in addition to almost \$7 million under the current structure and \$27 million under the new structure, what is being termed ‘administrative expenditure funding’, which is an outrageous \$40 000 per MP per year. The second-reading speech says that is to be paid to the MPs for administration, but in fact the bill does not say that — the bill pays the money to the political parties. So we actually have a very substantial inconsistency between the second-reading speech, which says the funds are paid to the MP for administration costs, and the bill, which provides that the funds are paid to the political parties. So \$40 000 per MP per year ostensibly to administer their responsibilities under this legislation.

We see that for the Labor Party based on the election results of 2014, accepting that there have been changes with a number of by-elections but based on the general election result, that delivers a further \$9.7 million to the Labor Party. It delivers \$7 million to the Liberal Party and it delivers \$1.1 million to the Greens. But that was not enough for the Labor Party and the Greens either. It was not enough to have that funding start in the new Parliament. We could not wait for this election cycle to be completed, so we have a provision in this bill that if this legislation passes today, on Sunday week, 1 July, those funds will start flowing. We will see in total some \$960 000 end up with the Labor Party and some \$112 000 end up with the Greens, even before the election.

The Labor Party had a problem. It repaid \$388 000 to the Parliament because it needed a fix for the media cycle the day of the Ombudsman’s report came out, and its way to get around that was to bring a bill into this

place that ensures that it gets almost \$1 million back in funding prior to the election, with the first instalment — \$600 000 — to flow next Sunday, if this bill passes. I think Victorians would be appalled to know that this government has reached such a level of corruption that it is now willing to bring in legislation that tips the funding balance so far in its favour and against the interests of the Victorian community.

The government obviously supports this bill in the interests of the Labor Party; it brought it in. The Greens have indicated that they will support this bill, yet we have heard comments from most of the crossbench expressing significant concerns about the structures in this bill. It is worth reflecting at this point on who is the biggest beneficiary financially from this legislation. Who is the biggest beneficiary in terms of the funding that will flow to political parties? Surprise, surprise! It is the Greens. On a per MP basis this legislation will deliver more than \$760 000 in public funding for each Greens MP. So it is not surprising that the party that holds themselves out as the virtues of integrity and keeping the other parties honest has rolled over on this bill, when it means that more than three-quarters of a million dollars in public money will flow for each Greens MP. And if there is not a bigger example of a sellout than that, I do not know what it is.

We have a situation where this funding model has been structured in a way that is so skewed that the Labor Party will get in the order of \$400 000 for each of its currently elected MPs. The Liberal Party gets a little bit more than the \$400 000 for each of its elected MPs. The Greens are the major beneficiaries, with more than three-quarters of a million dollars in public funding for each of its MPs. Then we see the minor parties in this place — the Shooters, Fishers and Farmers Party, Dr Carling-Jenkins, Mr Purcell and Ms Patten — each entitled to \$160 000 of funding. Under this model Dr Carling-Jenkins or her party receives \$160 000 in funding for its one MP, but Dr Ratnam's party gets more than three-quarters of a million dollars in funding for each of their MPs — and this from the party that holds themselves out as having the virtue of integrity.

One of the rationales that has been put forward for this bill is that it is reforming donations, that political donations are bad and we are going to reform them and the funding is just a consequence of needing to reform donations. The headline around this legislation is that the government is introducing a cap on donations of \$4000 per entity in an electoral cycle.

It is interesting again to reflect on the language that has been used around donations in the second-reading speech. The second-reading speech from the minister

talks about what he describes as donation reform to, and I quote:

... limit any improper influence of private donations in the political process.

He went on to say:

... political donations should not unfairly or improperly influence a political process.

And that of course is true. I will quote one further excerpt from the second reading in relation to the cap on donations:

The cap will ensure a level playing field and provide equal participation in the electoral process, reducing the potential for those with 'deep pockets' to try and exert greater influence.

The rationale for this \$50 million-odd of public money flowing to political parties is that we are reforming donations. So it is worth reflecting on what donations we are talking about. Where are these donations coming from? Who donates what to whom? In this regard the disclosures which are filed by political parties with the Australian Electoral Commission (AEC) on an annual basis are very illuminating. Frankly, in respect of the major parties there is very little to indicate major donation flows to the major parties and the capacity for influence. I will start by looking back at the most recent returns for the Victorian branch of the Australian Labor Party. There are donations from associated entities — the federal party donating to the Victorian party and so forth — which is not unusual, and other entities associated with the Labor Party like Progressive Business, which is an arm of the Labor Party donating to the Labor Party. In terms of external donors to the Labor Party they are actually relatively modest. Bertocchi Smallgoods donated \$40 000 and Michael Gudinski, the entertainment promoter, donated \$20 000. Going through some of the earlier returns, the Australian Hotels Association (AHA) donated \$20 000; Holding Redlich, the law firm, donated \$30 000; and Village Roadshow donated \$20 000. There are a number of other receipts which are not described as donations but are described in fact as other receipts from trade unions, and I will come to those. They are typically much larger contributions than the corporate donations. The political party disclosures do not highlight big corporate donations seeking to influence political outcomes.

I will take a look at the Liberal Party's returns also. Again, they are filed on an annual basis with the AEC. It is actually the same story with the Liberal Party. Despite the rhetoric — and I will come back to the rhetoric from those opposite — if you look at the

returns filed by the Liberal Party, equally there is no evidence of big donations seeking to skew political outcomes. Like with the Labor Party, putting aside internal funding bodies, there was a contribution from Zervos Lawyers of \$22 500, there was a contribution from the AHA of \$20 000, there was a contribution from the health insurance membership association of \$45 000 and there was a contribution from Gandel Group, the shopping centre proprietors, of \$70 000. What these returns do not show, despite the rhetoric from those opposite, is massive corporate donations of many hundreds of thousands of dollars seeking to influence outcomes.

In that context I would like to reflect on a post made by the Leader of the Greens, Dr Ratnam, earlier this week following the announcement that the Liberal Party was opposing this bill. Dr Ratnam posted on Facebook:

So frustrating and disappointing to see the Libs withdraw support for donations reform at the 11th hour.

We need strict limits on political donations to get corporate influence out of government.

It just shows how much the Libs are in the pockets of big business!

It is worth reflecting on that, because the returns filed with the Australian Electoral Commission for the Liberal Party in Victoria do not show big donations from corporate Australia at all, and in fairness the returns filed for the Labor Party also do not show big donations from corporate Australia. But let us have a look at the returns filed for the Greens in Victoria and see what donations the Australian Greens in Victoria have received in recent years. It is Dr Ratnam who is talking about the pockets of big business and big donations. Well, the biggest donations to flow to political parties in Victoria have in fact flowed to the Greens.

The most recent return, for example, of donations received is a donation from a Duncan Turpie in Queensland, and if anyone cares to google Mr Turpie, they will see that he is an entrepreneur associated with gaming interests. That was a donation of \$150 000. We go on to see other donations that flowed to the Australian Greens: from Graeme Wood of New South Wales, not \$10 000, not \$20 000 but half a million dollars. A private individual, Graeme Wood, donated half a million dollars to the Australian Greens in Victoria. Then we go back to Mr Duncan Turpie again, who also donated a further half a million dollars to the Australian Greens in Victoria.

Why does an individual with gaming interests in Queensland donate half a million dollars to the Greens

in Victoria? Why does Graeme Wood, an individual in New South Wales, donate half a million dollars to the Greens in Victoria? Then we have Anna Hackett, an individual in South Australia, donating \$100 000 to the Greens in Victoria. The hypocrisy that we see from the Greens and the hypocrisy we see from Dr Ratnam is that they talk about big donations from corporate Australia to the major parties when the biggest donations flowing to political parties in Victoria are to the Greens — and they are not all from corporate interests. At least with a corporate interest, like the AHA, you know what their interests are. We have a private individual, Graeme Wood, virtually buying the Greens in Victoria, virtually owning the Greens in Victoria, with further contributions of half a million dollars. We have Duncan Turpie making contributions of half a million dollars. Who knows what the interests of these individuals are? Why are they seeking to purchase the Australian Greens in Victoria in the way they have? We have the hypocrisy of Dr Ratnam talking about corporate donations when her own party has some of the largest and most opaque donations of any of the political parties in Victoria.

**Mrs Peulich** — Communists were always hypocrites.

**Mr RICH-PHILLIPS** — Mrs Peulich says, ‘Communists were always hypocrites’, and she is right, and once again we are seeing that with the Australian Greens here in Victoria. Why are they supporting this legislation? Because they are the biggest beneficiary on a per-MP basis from the funding model that would flow if this bill passes in its current form.

**Mr Gepp** — So you want the status quo to continue?

**Mr RICH-PHILLIPS** — Well, Acting President, I will pick up Mr Gepp’s interjection. It is a timely interjection, Mr Gepp, because you talk about the status quo continuing. Under this bill there is a status quo continuing, and the status quo that is continuing under this bill is the mechanism that allows the union movement to continue to donate to the Australian Labor Party. That status quo is continuing — the mechanism that allows the association between the union movement and the Labor Party and indeed the Greens. Because when you put aside the purchase of Greens party by Mr Wood and Mr Turpie, their other big donor has been the Electrical Trades Union (ETU). This bill allows that financial influence to continue. A donation under this model is not permitted, but the payment of a fee of tens or hundreds of thousands of dollars in most cases is apparently permissible. But then of course that

is because it is in the interests of the Labor Party and in the interests of the Greens.

Prompted by Mr Gepp I will refer back to that return filed by the Labor Party. As I said these are not donations; these are other receipts. But the question should be asked: how is the influence from a donation any different to the influence from another receipt, when these receipts are things such as from the Australian Manufacturing Workers Union metals division, \$92 000; the Australian Services Union Victoria and Tasmania, \$125 000; the Australian Workers Union, \$97 000; the Communications, Electrical and Plumbing Union of Australia plumbing division, \$66 000; the CFMMEU construction and general division, \$142 000; and the Shop, Distributive and Allied Employees Association, \$184 000? How are those payments, how are those receipts of the party, any different from the \$20 000 donation from the AHA? Why should one be banned and not the other?

I say the same to the Greens because they are as culpable in this matter as the Labor Party, because the small part of their party that has not been purchased by Mr Turpie and Mr Wood is in fact the section that has been purchased by the ETU. We have seen very substantial donations and contributions flowing from the ETU in particular into the Australian Greens here in Victoria over a period of time. Once again, they are not seeking to have a level playing field, not seeking to expand access to the political process in this state, but rather seeking to tip the scales in favour of the Labor Party and the Greens; we see their funding flows from the union movement quarantined from the need for the 'reform' that we are supposed to be getting under this bill.

With only 6 minutes left, there are a couple of other matters that I would like to touch on. In seeking to put in place this structure of so-called donation reform we see a structure created for what has been termed third-party campaign activity and a whole series of definitions framed around third-party campaigning. What we do not have with this bill is clarity for the many groups in the Victorian community who do have views on issues or clarity on how those provisions are going to work. One of the things we will be seeking in detail in the committee stage is to actually understand how the government thinks those third-party provisions will work, and what the practical application of those third-party provisions is for groups in the community that seek to put a point of view, that seek to express an opinion, on political issues.

The other area this bill covers, other than a massive financial hit on the taxpayers to the benefit of the Labor Party and the Greens and the changes in donations to benefit once again the Greens and the Labor Party with the preservation of the union links, is changes with respect to the voting system. There are a number of changes with respect to the voting system. Some of those changes relate to the enrolment requirements for electors seeking to enrol for Victorian elections, but other changes relate to the way in which people cast votes and the way in which parties register.

Again, keeping with the theme that this bill is about advantaging the Labor Party and the Greens at the expense of minor parties and other parties, one of the changes the bill seeks to make is narrowing the window for the registration of third parties. If this bill passes today and receives royal assent next week, minor parties will have only four weeks in which to register for the 2018 election.

In fact if you look back at the parties which registered for our last election, more than half of the minor parties and third parties which registered for the 2014 election did so in the last three or four months before that election. In fact looking around this chamber, two of the members of this chamber, being the two representatives from the Shooters and Fishers party, actually would not qualify for the 2018 election if they did their registration in the time frame that this bill will now allow. Theirs was one of the parties which registered late in the final four months before the election, and they had two members elected. Under this bill they would not have the opportunity to register and participate in the political process, which again highlights the way in which this bill is tilted in favour of the Labor Party and their friends the Greens and against minor party interests in the Victorian community.

One of the other changes we see is with respect to postal votes. Again, when you go back through historical Victorian Electoral Commission data — and the data for the last five elections or so is on the VEC website — and you look at the way in which postal votes fall, we are increasingly seeing Victorian voters use postal votes. We are increasingly seeing Victorian voters use other early voting mechanisms, including prepoll votes. In fact more than one in three voters at the last election voted early, either through postal votes or prepolls. But historically, the postal vote system has, on a two-party basis, not favoured the Labor Party. It has run slightly against the Labor Party on average.



So what do we see in this bill? We see the government — the Labor Party — conspiring with the Greens to make it harder for Victorians to cast a postal vote. Because postal votes traditionally do not favour the Labor Party and the Greens, we see changes in this bill which provide less time for a voter to apply for a postal vote and then provide less time for a postal vote to be counted. Under this model voters will have only until the Wednesday before the election to apply for a postal vote, and then have only until the Friday following the election for their postal vote to be counted. Because the Labor Party and the Greens traditionally do not get the majority of postal votes, they seek to now restrict the access of voters to postal votes and the counting of those postal votes.

This bill is not about increasing access to the electoral system. It is not about putting parties on an equal footing. It is about creating electoral benefit for the Labor Party and for the Greens. It is about creating funding benefit for the Labor Party and the Greens. Our electoral legislation should be legislation of integrity that preserves our electoral system. It should not be structured to benefit political parties like the Labor Party and the Greens to the exclusion of minor parties. I urge the house to oppose this bill.

**Mr MULINO** (Eastern Victoria) (10:40) — Well, we have just heard a lengthy contribution — 60 minutes. I would say that it is a contribution that I agree with some of — probably the first 2 minutes or so, where Mr Rich-Phillips talked about the fact that Victoria and Australia have strong electoral systems and have had for quite some time, and that this is an important part of our democratic system and an important part of our society and is not something we should take for granted. I agree with that. I think that when you look at history, when you look at the world, this is not something that is common. Even though we are a young country in some senses in terms of a lot of our political institutions, when it comes to continuous democratic institutions with broad participation, we actually have a lot of institutions that have survived a long period of time. So that, by way of context, I agree with.

But where I differ from Mr Rich-Phillips is the implication in a lot of the speech that all is okay. He almost seems to skate over, without making any explicit reference to, the Electoral Matters Committee (EMC) and its 2014 report, a number of important recommendations of which were unanimously agreed to and are contained in this bill.

We also did not hear any references from Mr Rich-Phillips except rather glib references to things like political donations. He seemed to frame the proponents of this bill as saying that all donations are bad. Well, I certainly would not make that statement, but I believe this bill reflects a growing concern in the community at the degree of transparency there is in relation to donations. I think many in our community would not say all donations are bad but many in our community would say that we need more transparency, and that is what this bill provides.

There was a lot of rhetoric in that speech that we just heard, and there may well be more this morning, but what I do not think was provided to us in that speech was a detailed examination of the recommendations arising from the Electoral Matters Committee's 2014 report and a number of outstanding recommendations from the 2010 report. What I do not think we heard was an examination of the community's rightful concern in relation to transparency around political donations and perceived influence, around disclosure and reporting mechanisms in our political system and around emerging risks in our democracy and many others around the world — for example, in relation to foreign donations. There was a lot of name-calling and pointscoreing but it did not deal with the substantive issues that this bill deals with.

This bill will make Victoria's electoral system and processes more accessible and effective. As I mentioned earlier it deals with a number of important recommendations arising from the Electoral Matters Committee 2014 report that were unanimously supported by parties right across this chamber. This bill deals with critically important matters relating to transparency, accountability and reporting of political donations, something that is of great concern in our community.

The bill amends the Electoral Act 2002 to make the system clearer and more efficient. It introduces political donations disclosure and reporting arrangements. It increases public funding to political parties and candidates to provide them with baseline funding as part of a holistic reform which does include putting caps on donations. The bill also amends the Public Administration Act 2004 to specify a minimum number of parliamentary advisers that will be provided to non-government political parties and independent members in the Parliament. This is a critically important reform in order to improve the functioning of the Parliament. It is a great challenge for members of small parties and independent members to deal with the volume of material and the breadth of topics covered in this place, so this is a very important reform.

The proposed bill will acquit the government's response to a number of recommendations made by the Electoral Matters Committee after its 2014 inquiry. It implements outstanding recommendations arising from the EMC's report on the 2010 Victorian state election and technical and operational reforms proposed by the Victorian Electoral Commission (VEC).

Specifically the bill makes the electoral system clearer and more efficient by streamlining early voting procedures and processing by providing that the early voting period for a by-election is 12 days and that early voting commences on the Monday following the final nomination day. Early voting is something that I think is important, but we also need to manage trade-offs in relation to early voting. The bill will facilitate faster processing and counting of early, in-person and postal votes. It will provide for online postal vote applications. It will simplify witnessing requirements for postal vote applications, and it will allow postal votes received after election day to be counted based on the dates they are witnessed and received by the VEC.

This bill will impose strict time limits on applications to validly register a political party. It will simplify authorisation requirements for how-to-vote cards. It will provide the Speaker of the Legislative Assembly with discretion to issue writs for by-elections close to an election. It will remove the requirement that a person provide a reason for voting early. This had become a rather artificial artifice of the voting system that we have seen arise in recent elections. The bill will extend prohibitions on the use of political signage and other forms of canvassing at or near voting centres. It will require that a person enrolling on the electoral register verify their identity. It will bring forward the deadline for receipt of postal vote applications, clarify the obligation of silent electors to provide their address in non-voting circumstances and clarify the existing process for counting votes in Legislative Council elections by correcting a technical drafting error.

There are many measures there, some technical but some very substantive and some that will improve in a significant way the operation of elections in this state. As I said, a number of those recommendations arising directly from earlier reviews are recommendations that were supported on a cross-party basis.

The bill also includes an improved political donations disclosure and reporting scheme that, firstly, bans foreign donations of any amount. Again, I would have thought this is something that all in this chamber support. This is something that has become very topical in a number of contexts around the globe. This is an important and very timely reform. The bill caps

anonymous donations at \$1000. It applies to all persons and entities that make or receive political donations. It provides a general cap of \$4000 on political donations made during each election period from a single source to a single recipient. Donations to a candidate or elected member endorsed by a political party will count towards the general cap for that political party.

It will require real-time reporting of political donations equal to or above \$1000. This is critically important. We have the technology now. Real-time reporting is appropriate. As I said, I do not believe the community thinks donations are inherently bad. I certainly would not make that statement, but I do believe that the community feels we need a more transparent system, and the cap that I just referred to, in addition to real-time reporting, is an appropriate mechanism.

A disclosure return must be provided to the VEC within 21 days of making or receiving the political donation, and the VEC will publish the return within seven days of receipt. The bill will also require recipients of donations to keep a state campaign account to help track fundraising. It will require political parties, nominated entities, associated entities and third-party campaigners to provide an annual return to the VEC for each financial year. It will provide for recipients of political donations to appoint an agent to clarify who is responsible for complying with the disclosure and reporting regime, and it will provide the VEC with the power to appoint compliance officers who can issue notices to monitor or investigate contraventions of the disclosure and reporting regime. The bill will also introduce penalties for non-compliance with the disclosure and reporting scheme and strengthen existing penalties, including in relation to giving false and misleading information.

There is a whole range of new provisions here which will dramatically and materially strengthen reporting and disclosure arrangements in relation to donations, providing much greater transparency. There are also caps in relation to donations to deal with issues of perceived influence. We had a lot of name-calling in the previous contribution, but I think it is incumbent upon all sides in this debate to make clear whether they believe it is appropriate for a regulatory regime to provide for greater transparency and to provide for caps to deal with real and perceived influence.

This bill will also increase public funding through an entitlement to \$6 for each first preference vote for eligible candidates in the Legislative Assembly and \$3 for each first preference vote in the Legislative Council. Those opposite again dealt with this through a very rhetorical approach, by drawing an extremely long bow

to cost-of-living issues. Frankly, I think the community wants there to be the right balance here — they want greater controls on political donations but they also would acknowledge that political parties need a certain degree of funding to run effective campaigns to communicate their policies. Democracy is, after all, all about providing information to the community so they can make informed choices, so it is about balance. Some of the language from those opposite was frankly a little bit irresponsible when dealing with this public funding issue. It is an important part of this reform and one that I think on public policy grounds is justified.

I have got limited time left. I did want to refer to a couple of the more substantial house amendments. There are a number so I will not be able to even refer to all of them, but there are some important house amendments. For example, in relation to postal votes there is a house amendment to the effect that political parties, candidates and persons other than the VEC will no longer be able to distribute postal vote application forms as part of their own campaign materials to voters. This will ensure that voters are not confused or misled as to the source of these application forms. In fact Mr Rich-Phillips spent the beginning part of his contribution talking about the importance of independent authorities such as the VEC and contrasting that to the US. I actually agree with a lot of his observations, and that is why I think strengthening the VEC's role in relation to postal votes is actually very much consistent with some of the concerns that he raised earlier. This is where I think some of the rhetoric that we heard in that previous, lengthy contribution was in fact a little bit internally inconsistent with some of the policy conclusions that Mr Rich-Phillips drew.

The house amendment will also require the VEC when requested to provide registered political parties and candidates with the names and addresses of those who have successfully applied for postal votes. This will enable those voters to be supplied with campaign materials which they would otherwise receive at a voting centre. It is a sensible, balanced reform where people will no longer have, as they currently do, confusing materials sent to them but they will still have materials sent to them by political parties if they so choose, if they in fact want to vote through the postal mechanism.

There is also a house amendment in relation to removing organisations from the exception to the prohibition on political signage so that only candidates and registered political parties may display two signs. There is a house amendment to clarify that the definition of 'political expenditure' will not include any material that is published, aired or otherwise

disseminated outside of the election campaigning period. There are house amendments to clarify and change the definition of 'gift'. There are house amendments dealing with the interaction of these arrangements with donations and gifts provided for the purposes of commonwealth election campaigns, and there is also an in-built review mechanism.

In short, this is an important bill, a timely bill and a bill that we need to consider and, I would argue, pass today. This is a bill that strengthens a system that has served us well, but it strengthens the system in ways that deal with a number of outstanding issues and, I would argue, emerging risks. This is a bill that implements a number of recommendations that were agreed on by all parties coming from reviews in 2014 and outstanding recommendations arising from the review into the 2010 election. This is a bill that deals with political donations — domestic donations and foreign donations — banning foreign donations and providing for much greater transparency in relation to domestic donations. I commend this bill to the house.

**Dr RATNAM** (Northern Metropolitan) (10:55) — I rise to speak on the Electoral Legislation Amendment Bill 2018. This piece of legislation has been a long time coming. The corrupting influence of political donations is now well-established. Corporations and lobbyists are on the record as admitting they give donations to political parties to influence decisions. The despair many in our community feel about the state of our democracy is due to the perception, if not reality, that it is dollars that matter when it comes to decisions of government, not citizens or the public good.

A Senate inquiry initiated by the Greens into the political influence of donations handed down its report two weeks ago. It found that there is significant public concern around the motivations of some donors and that the influence they have on the decision-making of governments is disproportionate to the influence other citizens enjoy. The committee heard compelling evidence that the current political funding and disclosure regimes fail to provide the necessary safeguards to prevent corruption of the political process.

Some of that compelling evidence came from Dr Belinda Edwards, who noted that her analysis of political donations data from the last 10 years gives strong indications of payments being made for access rather than being paid to support a political cause. Dr Edwards told the committee that this is evident in donors giving to both sides and increasing payments to those in power. This is evidence of donors paying for access where they believe their business interests are

served and they are more likely to get government decision-making to go their way if they have made payments, significant payments, to whoever is in power. She said:

I would point out that it is illegal for businesses to make such payments to political parties if they do not expect the payments to advance the interests of their shareholders.

The inquiry considered the potential for political donations to undermine political equality. Where money buys access to decision-makers, those without money are disenfranchised. People see Crown giving over \$1 million to the old political parties and have their poker machines exempt from the laws that apply to all other pokies. People know global warming is harming not just our environment but will hurt all of us if not addressed, yet Labor and Liberal governments continue to back the extraction of fossil fuels and the companies that profit from that. Transurban is being given billions of dollars to build unnecessary toll roads, yet communities wanting to preserve local open spaces do not get a look in. Companies bidding for lucrative government tenders donate hundreds of thousands of dollars to both the Labor and Liberal parties, whilst costs for privatised services increase and quality declines for the people of Victoria.

The Greens have been calling for the types of reforms contained in this bill for years. Strict limits on political donations, speedier disclosure of donations and lower disclosure limits along with more public funding have been a key part of our policy platform for decades. In this place the Greens have called for political donations reform since first being elected to the Victorian Parliament in 2006. My colleague Sue Pennicuik has moved numerous motions calling for reform to political donations since she was first elected, in particular to ban donations from property developers, other corporate interests and organisations affected by government decisions. Those motions have met with little success in this chamber, with the old parties continually voting together to reject the reforms. My predecessor Greg Barber moved to refer donations reform to the Electoral Matters Committee in 2009. Then after six years of inaction Ms Pennicuik moved again to refer donations reform to a further inquiry in 2015, but that motion was once again voted down by both Labor and the Liberals.

In the other place my colleague Ellen Sandell in 2015 sought to introduce a bill for political donation reform. That was blocked by Labor and the Liberals. Many members will be aware that over the last decade Ms Pennicuik and my other Greens colleagues have moved many motions for other democratic reforms, and they have contributed in many more ways to debates

about the integrity of our Parliament, the democratic process and the need for urgent reform. In the context of those 12 years of advocacy by my Greens colleagues, I welcome the change of heart by Labor on this issue and in particular the change of heart by the minister who just last year, in response to a question from my predecessor Mr Barber, indicated he was prepared to wait for reform at the federal level first. We are glad he changed his mind and acted in the interests of the integrity of the Victorian political system.

We cannot but note that the change of heart from this government came just before the Northcote by-election. We are glad that our growing Green presence in Victorian politics is resulting in such significant policy changes like this. The Greens welcome this bill as finally implementing a much-needed and important reform for the health of our democracy. In particular we note our support for the \$4000 limit on political donations, although we would prefer the limit to be \$1000; the \$1000 disclosure threshold, which would ideally also be lower; and a significant improvement in donations disclosure, although again a seven-day disclosure regime would be a much better outcome.

Removing political donations or at least limiting them significantly requires an increase in public funding for political parties. Without public funding parliamentary politics would revert to being the preserve of the wealthy. There are, however, a number of aspects of the design of this legislation that are less than optimal, and I would like to address a couple of them now.

The most obvious gap in the package of reforms in this bill is the absence of expenditure caps. A comprehensive reform designed to both preserve freedom of political expression and protect against undue influence would include expenditure caps. A cap on expenditure is routinely recommended as an essential element of comprehensive political donations reform, as it was in the Senate's most recent inquiry. To quote from that report:

The unrestricted nature of election campaign spending has been described as having given rise to an arms race, whereby political parties feel a pressure to amass increasing amounts of money for their election campaigns through large donations ... the risk posed by this increased fundraising and spending on election campaigns was highlighted as early as 2008 in the then Labor government's 'Electoral Reform Green Paper':

Spiralling costs of electioneering have created a campaigning 'arms race' — heightening the danger that fundraising pressures on political parties and candidates will open the door to donations that might attempt to buy access and influence.

The lack of an expenditure cap also disadvantages smaller political parties that do not have access to the resources to compete in the fundraising arms race and makes it harder for new players to break in, reducing the diversity in political representation. It is disappointing that the current government has not included expenditure caps at this time, but we will continue to advocate for them as part of more comprehensive reform going into the future.

We would also note that while the limit on political donations will be set at \$4000 under this bill, property developers, the gambling industry and other corporate interests are still able to donate to political parties. There are some industries that have been proven to be more prone to having their interests protected or enhanced by various governments to the detriment of the rest of the community. There is also one significant loophole that entrenches the advantage of the Labor Party and potentially the Liberals, and that is the provision allowing for a political party's nominated entity to transfer unlimited amounts to a political party and vice versa. This, as I understand it, is a unique set of provisions in these sorts of reforms.

The provisions allow for a political party to nominate one entity to be its nominated entity. That body can then transfer as much money as it wants to the political party — no limits. While the nominated entity is captured by the political donation scheme in that it cannot receive political donations of more than the donation cap of \$4000, if it is an entity that already has or makes money, like a trust fund, then the sky is the limit on funds being given to political parties to use in an election. One can only speculate on the relationship between those provisions and the legal shenanigans between the Liberal Party and the Cormack Foundation, and the subsequent position on this bill by the Liberal Party. In any event it is part of the architecture of this bill that is deliberately skewed towards the big old political parties. It entrenches the advantage of the Labor and Liberal parties over political diversity.

While the bill as a whole goes some way to removing the influence of corporate donations on politics, it does not seek to level the playing field. Instead these nominated entity provisions are specifically designed to support the interests of the old political players. The Victorian Parliament has struggled to come to terms with the fact that multiparty politics is more beneficial for democracy and the community than a game played only by two teams. One example of this is the outdated provisions that classify third parties in this place as requiring 11 members. Such a high threshold is out of

step with the rest of the nation, where a party with five members or more is recognised.

Such a change is long overdue here in Victoria, and we urge the government to consider this. We welcome the government's clarification of the meaning of political expenditure as it pertains to political parties and the tightening of the matters on which the administration funding can be spent as part of their circulated amendments. We are, however, concerned about the implications for third-party campaigners, particularly not-for-profit organisations, between campaigning up until 1 October in an election year and the changed regime for campaigning from 1 October until election day. There is a tension in these reforms between removing undue influence and enabling freedom of political expression.

These amendments the government is proposing will mean that for the two months leading up to the election there will be a significant grey area about what activities will be considered political expenditure and thereby be caught by the donations regime. In particular we are concerned about the ability of not-for-profit organisations to engage in policy analysis on the positions of different parties, a basic exercise of freedom of political communication. We will be taking the opportunity in the committee stage of this debate to clarify how small organisations and not-for-profit groups will be able to engage in genuine political debate in the lead-up to an election without being caught in the donations regime designed to stop undue influence.

We note that the recent Senate inquiry into the influence of political donations recommended that charities need not be subject to donations schemes given that they are already heavily regulated by federal charities laws and are already prohibited from having a purpose of promoting or opposing a political party or candidate for political office. As it stands, the legislation will be requiring such organisations to comply with multiple disclosure and accountability regimes with different definitions of political activity.

We also note that for small community groups there is the potential to be caught by significant administrative burden and funding restrictions in circumstances where their political influence may be small but the importance of a local issue may be very significant. Should a local group of concerned citizens campaigning to save a local wetland or local school or some open space be treated the same as Crown Casino?

The other major loophole that is not of the government's making is the interaction between a state

regime and the commonwealth regulations. The bill excludes donations for the purpose of a federal election being captured. This does of course provide a significant loophole but one that cannot be dealt with by this legislation. We can but keep advocating for a more robust regime at the federal level.

Now moving to the donations disclosure regime, this legislation requires donations over \$1000 to be disclosed within three weeks and put on the Victorian Electoral Commission (VEC) website within one further week, providing a four-week window from when the donation is made to when it becomes public. This is a clear improvement on the existing non-disclosure regime and will increase much-needed transparency. The Greens, however, believe an online continuous real-time disclosure scheme is what is needed, and we will continue to advocate for such a system in Victoria.

If I could just make comment on the previous contribution by Mr Rich-Phillips on the nature of political disclosures, in which he read out a number of heavily selected figures, we also note there was a report in 2015 by Dr Edwards, I believe, that found that over 60 per cent of donations to the Liberal Party are not disclosed, and that figure is over 50 per cent for the Labor Party. So while you might select a handful of donations to make what is a very weak argument, the fact is your party does not disclose the influence that is conveyed by vested interests donating hundreds of thousands of dollars continually to your party. This is why this reform is so needed and needed urgently.

The bill also deals with a number of changes to the holding of elections, implementing recommendations from the Electoral Matters Committee reports, particularly in relation to postal votes, enabling quicker counting, the placing of party logos on ballot papers and restrictions on polling day materials. The Greens support these measures.

In conclusion this legislation is far from perfect. It is drafted to entrench old parties in the system. Loopholes exist specifically for the Labor and Liberal parties, and there are no expenditure caps. There is confusion about the means by which community organisations can engage in political activities. The disclosure regime is not as transparent as it could be. However, the reforms overall are needed. We look forward to addressing in committee some of the issues that we have raised our concerns around and seeking important clarifications from the government on the practical implications of this legislation.

The bill represents a significant step forward towards ridding our politics of the corruption of corporate donations. After our 12 years of advocacy in this place the Greens welcome this step towards strengthening our democracy. We too have amendments that we believe will make the administration funding arrangements fairer, particularly in the context of other proposed amendments from others in this place, which I am happy to have circulated now and will speak in more length when it comes to the committee stage.

### **Greens amendments circulated by Dr RATNAM (Northern Metropolitan) pursuant to standing orders.**

**Dr RATNAM** — In conclusion, as I have addressed in my remarks, we support this legislation and we support the reforms being proposed. It is fundamental for the integrity of our democracy that we engage with these types of reforms, particularly to donations and disclosure.

On that note I have to say that I am disappointed but not surprised by the position of the coalition in refusing to support this legislation. We have heard all sorts of excuses in the preceding few days and just here today about why this legislation cannot be supported, but let us be clear: the Liberal Party will not support this legislation because they do not want the gravy train that is big corporate donations pushing millions of dollars into their party to dry up. The revolving door of money and people is gutting our democracy, and it has to stop. Trust in our political system, in our political parties and in our democracies is at an all-time low, and people are turning away from politics. We are all aware of that.

We all have a responsibility to arrest that and turn that around. That starts by restoring integrity and trust in our parliaments, in our political system, in our political parties and in our elections. I saw the revolving door of influence with my own eyes in local government: big property developers who donate large amounts of money to political parties, knocking on the door of ministers, asking for special treatment, asking for their decision to be hastened to allow them to make huge mega profits at the cost of genuine community consultation and at the cost of the community genuinely having a say in the outcome.

Anyone who has grown up or lived in a broken democracy will understand just how important these reforms are. We are lucky in a place like Victoria and Australia to enjoy a relatively healthy democracy, but that is under constant attack by vested interests who want to impose undue influence through huge corporate donations that we know are influencing political

outcomes across this country. We have some of the most significant issues facing us as a Parliament, as a country, with global warming, growing inequality and so many people left behind. If people do not have faith in our democracy and they turn away from it, we gut the very system that is there to protect people. For all those reasons I commend this bill.

**Mr O'SULLIVAN** (Northern Victoria) (11:13) — I am pleased to rise this morning to speak on the Electoral Legislation Amendment Bill 2018. Before I get into all the details of the bill, I want to address a couple of the matters that the Leader of the Greens has just raised. One thing that I find more galling than just about anything else is hypocrisy, and what we have just heard is a contribution from the Leader of the Greens telling us how pure they are in the way they go about their politics and the way they go about their campaigning. But you do not have to scratch very deeply to understand that the Greens position, what they put up in theory, is very different to what they do in practice.

I start by reading parts of an article that was in the *Herald Sun* of 3 August 2016, under the headline 'Greens party took \$500 000 from high-roller gambler':

The Victorian Greens accepted \$500 000 from a high-end gambler, despite pushing for a ban on political donations from the gambling industry. Duncan Turpie, who made much of his money from gambling and is reportedly a member of betting group the Punters Club, donated the sum to the Victorian Greens for this year's federal campaign.

Just down a bit further, in relation to that donation, it says:

Australian Greens co-convenor Penny Allman-Payne said Mr Turpie's donation went through a standard review process ensuring all donations were consistent with 'Greens principles'.

I find it rather interesting off the back of the contribution from the Leader of the Greens that they are quite happy to accept a \$500 000 donation from a man who primarily receives his income through gambling, yet the organisation of the Greens, just to top that off a bit further, reviewed that donation and said it is in line with Greens principles. I just wonder what the extent of those Greens principles are.

I want to mention another donation, which as far as I am aware — I am happy to be corrected — is the single largest donation in the history of donations to political parties in Australia, and that is the donation from a man by the name of Graeme Wood, the founder of Wotif. The donation that Graeme Wood made was \$1.6 million in 2010. Who do you think that donation was to? Was it to the Liberal Party? No, it was not. Was

it to the Labor Party? No, it was not. Was it to The Nationals? It certainly was not to The Nationals. I will tell you who that donation was to: it was to the Greens party. The single largest donation in the history of this country went to the Greens party — \$1.6 million. That is great money if you can get it, so I congratulate the Greens on being able to secure a donation of that scale, which is remarkable.

I find it a bit hypocritical that the Greens come in here and lecture us about how pure they are when it comes to integrity and trust in the process that they want to be a part of, yet they are quite happy to receive a donation of \$500 000 from a high-end gambler, which is in line with the Greens policy principles. They also take a donation of \$1.6 million. Please do not come in here and lecture us about how pure you are and about the integrity and trust of the political system when you are very, very happy to accept donations of that level. Do not pretend that you guys are not part of this as well. Let us just say the Greens have got plenty of form when it comes to donations. Even though they come in here and espouse the views that there should be no donations from companies, that there should be no donations from anyone at all and that there should only be little donations, in fact they are very happy to cop the big donations. They just brush those aside and pretend no-one will notice them. Well people do notice, so I ask them to please not come in here and lecture us about donations when they get some of the biggest donations, in fact the biggest donation in the history of this country.

I refer to other aspects of the bill and what is trying to be achieved here. While the Greens have annoyed me by saying how pure they are, for the Labor Party to come in here and also lecture us about how they are going to strengthen the political system by bringing in this reform and how they think they should be congratulated on trying to clean up the political system in terms of donations and electoral reform is absolute garbage. This legislation is off the back of the Labor Party being so badly caught out rorting taxpayers money through the red shirts arrangements that they have decided they need to say to everyone, 'We need to clean up the system, so what we're going to do is we're going to be the party that brings in electoral reform that's going to clean up the political system in Victoria, and we should be congratulated on that'. Essentially what they are trying to do after they got caught red-handed in relation to the red shirts arrangements and the \$400 000 that they took from taxpayers —

**Mrs Peulich** — Hand in the till.

**Mr O'SULLIVAN** — Mrs Peulich rightly says that it is much, much more than that when you look at the individual benefits that ministers and people in higher office received through actually being in government. The figure runs into the millions of dollars, several millions of dollars, of personal benefits the people from the Labor Party received from that roting.

What the Labor Party have decided to do with this legislation is to legislate so that what they did, which was proven to be a roting of taxpayers money, is going to be okay when they continue to do it into the future. That is the reason this bill has been brought in. Don't anyone pretend for one second that this is about cleaning up the integrity of and trust in the political system. It is not, it is absolutely not.

The way this legislation has been written means it is actually worse than most people realise it is. It is done on the pretext of trying to clean up the system but, as we know with anything that this government does, it is all about obtaining advantage by deception. We have seen it so many times with all the legislation that they do. There is always a sting in the tail. There are always winners and losers, and that is exactly what we are being presented with again with this bill. There are going to be winners and there are going to be losers. Mr Rich-Phillips went through that in extraordinary detail in terms of the winners and losers, and I am just going to touch on a portion of that.

This bill has been introduced to legislate for what the red shirts brigade did so it will be okay for them to do it the next time. That is one element of this bill. The other element is that the Labor Party want to give themselves more money than they originally would have received. They are going to do that by paying more money for each vote that they get and they also want to get more money through the number of MPs that are elected into this Parliament. The reason they want to do that is the Labor Party is a bit short on cash at the moment because they got caught out. They had to fork out \$400 000, which was the \$400 000 of taxpayers money that had to go back into consolidated revenue because they got caught out by the Ombudsman. They thought, 'The only way we can slightly come out of this without egg all over our face is to pay a bit back', and they have also had to pay a whole range of legal fees and so forth. They have had a few by-elections along the way as well. So the Labor coffers are running a bit thin at the moment.

**Mr Morris** — How did the by-elections go?

**Mr O'SULLIVAN** — Exactly. How did those by-elections go? They had to pay a lot of money for by-elections. The coffers are running a bit thin ahead of the 2018 state election that is coming up, so what they want to do is put their hand even deeper into the taxpayers pocket to get more money that they can use to try and win the next election. Why don't they just come out and say they are going to do that? Do not try and do it through the sort of smoke and mirrors operation that we so often see with this government.

I find it rather interesting. We come in here and we listen to the Labor Party MPs on this and they say, 'You need to trust us. We need to clear up the system because it's going to be so much better after we've been able to fix this system'. You are the guys who eroded trust in the electoral system through the red shirts roting that you did before the 2014 election. You are rewriting the rules so they are going to favour yourselves and going to favour the Greens. Obviously the Labor Party fully expects that if they do retain government after 24 November this year, it will be in a coalition with the Greens. The Labor Party thinks, 'We need to have a sweetener for the Greens through this process, we need to make sure there's a sweetener for us, and we need to make sure that it disadvantages everyone else' — that is, those who will not be involved in that cosy little coalition that they may need to have after the next election.

One thing that you will not hear from the Labor Party or the Greens in relation to this bill is any mention of the word 'union'. As we know, the unions are significant contributors to the Labor Party, and this legislation in no shape or form touches the unions at all. The unions will still be able to be affiliated to the Labor Party and to contribute a lot of money to the Labor Party through those affiliation processes that they will have, and that will be absolutely unrestricted through this process. In terms of being nice and transparent and opening up to trust and integrity and so forth, that element of union influence on the Labor Party will be stronger than ever because that money will still flow in in a very, very substantial way. Peter Marshall has certainly been very favourable to not only the Labor Party but also the Greens. I believe that one of the Greens offices had a big United Firefighters Union (UFU) sign in its window. There has certainly been plenty of support for the Greens as well as the ALP from the UFU. In terms of the CFMMEU, we know that they are significant contributors to the Labor Party and will continue to be so. The influences from the unions that we have seen —

**Mr Ramsay** — The ETU.



**Mr O'SULLIVAN** — Mr Ramsay is right. The Electrical Trades Union (ETU) have been significant contributors to the Greens and the Labor Party. They have tipped in quite a bit of money to the Greens, and again we did not hear the Leader of the Greens even mention the ETU in her contribution at all, because they just want that to be flowing in the back door.

There are winners and losers. The winners from this legislation will be the Labor Party, who will be reaping lots of money by legalising their red shirts arrangements. They will be receiving lots of money through union affiliations and so forth. They want to stop donations because they realise that donations are one of the areas where the Liberal Party does pretty well. The Labor Party also does fairly well in that space. They are trying to say, 'We're levelling the playing field if we stop donations or very much restrict donations for both the Liberal Party and the Labor Party'.

**Mr Morris** — The CFMMEU.

**Mr O'SULLIVAN** — The CFMMEU and the unions — their money will still flow very strongly, perhaps even more strongly, into the Labor Party to give them even more of an advantage. That is a part of the reason that the community is going to have a lack of confidence in this legislation.

When we are considering legislation in relation to our electoral system we should do everything to protect the electoral system at all costs. One of the great advantages that we have in this country is the strength of our electoral system and the integrity of our electoral system, and anything that we do in terms of reforming or changing legislation in that area should be done in a genuine way that is really going to be transparent, is really going to be fair and, more important than the money or the fairness or anything like that, is going to create significant confidence among the people who actually vote at elections. The people in this country need to have the utmost respect and confidence in the electoral system. This bill is going to undermine that, and that is a bad outcome. It is a really, really bad outcome. When people realise what is in this legislation they will understand that this legislation has been brought in to favour the Labor Party and the Greens over everyone else.

That is not the way you should do electoral reform. You should do electoral reform in a way that is fair, that is honest, that is transparent, that is with a lot of integrity and, most of all, that provides a lot of confidence to the community, who have to sit back and go through the process of using this legislation. I do not think that this

will help whatsoever in that regard. I support electoral reform, but I do not support this bill, because this bill is designed to create winners and to create losers and that is a bad outcome. I do not know if anyone could support that, but unfortunately that is what has been presented to us today, and that is certainly a bad outcome for this state, it is a bad outcome for a democracy, and actually I thought the Labor Party would be better than that.

**Dr CARLING-JENKINS** (Western Metropolitan) (11:28) — I rise to speak on the Electoral Legislation Amendment Bill 2018. At the heart of this bill there is a proposal to significantly shift the source for funding electoral campaigns from donors, who freely choose to financially support particular candidates or parties, to the Victorian taxpayer. This proposal is philosophically unsound, it is antidemocratic and quite simply it fails the pub test. I invite members to try this out at their local. Ask your constituents if they are happy to pay for the election campaigns of those whose political views they find most abhorrent. I know, for example, that my pro-life supporters would be appalled if they knew that more of their taxes would be used to fund the electoral campaigns of those members who voted for assisted suicide and euthanasia. And I suspect most Greens supporters would not be happy to be funding my election campaign either.

Capping donations at \$4000 per person is supposedly designed to avert the harm of buying political influence, but do we really suppose that because a member receives a donation of, say, \$5000 from a supporter that that member is going to vote in a corrupt manner? Donating freely to the election campaigns of candidates and parties who share your political values and ideological views is an essential part of the system of representative democracy guaranteed by the constitution of Australia and is inherent to a free society.

This bill also proposes an absurdly low disclosure threshold of \$1000. This seems quite unnecessary. Again, do we really think that members in this place will vote corruptly based on such a small donation? The current commonwealth disclosure threshold of \$13 500 seems to me to be much more appropriately targeted.

I also note that the administrative burden on candidates and parties of the proposed new disclosure scheme is to be offset by a subsidy — again from Victorian taxpayers — of an equal amount for each sitting member. Once again, I question this use of taxpayer money for a subsidy that will cost around \$20.48 million per parliamentary term, not including the increased amount per vote that parties will receive,

and this is also without costing any of the amendments that will be presented later this day. This bill as a whole is misconceived.

**Mrs Peulich** — Evil.

**Dr CARLING-JENKINS** — Well, perhaps that too, Mrs Peulich. Instead of carefully targeted measures addressing real dangers to the proper functioning of our electoral system, it brazenly substitutes to a significant degree a systematised plundering of the public coffers by political parties and candidates in place of freely given support by donors who share the values or endorse the policies of those parties and of those candidates. I am absolutely in favour of politicians keeping their hands out of the public's pockets, so I am opposed to this bill as a whole. I understand that there will be a number of amendments which will be presented during this debate. I intend to carefully consider each of these and vote for and against accordingly, because I am always happy to consider amendments which improve a flawed bill and this bill, especially in its current form, is a flawed bill.

**Mr MORRIS** (Western Victoria) (11:32) — I too rise to make my contribution on the Electoral Legislation Amendment Bill 2018. I certainly concur with many of the statements that Dr Carling-Jenkins made in her contribution — a very good contribution indeed — but I think it is important to acknowledge why it is that we are debating this bill. We are debating this bill because the Labor Party has been caught out rorting time and time again. When I was preparing to make my contribution to this bill I realised that I had actually forgotten a couple of rorts that the Labor Party had involved itself in, so many have there been.

**Mrs Peulich** — That you know about.

**Mr MORRIS** — Indeed, Mrs Peulich, I am quite sure there are many rorts that are yet to be uncovered. But I thought we might just go slightly back in time to when the revelation was made about the Speaker and the Deputy Speaker in the other place being caught out rorting the second residence allowance. At the time I do recall members of the government coming out and saying, 'The problem is the rules, and the rules must be changed'. Everybody in Victoria knew that the problem was not with the rules; the problem was with the rorting — the fact that there were two members in the other place who saw fit to take advantage of the Victorian taxpayer for their own personal benefit, knowing full well that that was never the intention of the second residence allowance; indeed it was just a way to fill their pockets. But what made the issue even worse is the fact that the Speaker is the person who is

supposed to administer these rules, the person who is supposed to ensure that the rules are adhered to, and he had seen fit to in effect steal over \$38 000 of taxpayers money to which he was not entitled.

Then we have a look at the member for Melton, who at that time was the Deputy Speaker of the other place. He rorted well in excess of \$170 000 from the taxpayer. To Mr Languiller's credit, at least when he was caught he put his hand up and said, 'Yes, I did the wrong thing. I apologise, and I'm going to pay it back'. However, the member for Melton dug in his heels. He dug in his heels so far that the Premier was forced to say, 'Look, Don, you're going to have to go. You have to leave the party. You're either going to have to pay it back or you're going to have to go', and Mr Nardella, shamefully and shockingly, chose the latter — to leave the party. I was listening to question time recently in the other place when a question was asked by the member for Melton of the Minister for Public Transport, and she referred to Mr Nardella still as one of 'our members', so I think it is fairly clear, despite the fact that Mr Nardella may have technically resigned his Labor membership, that he is certainly still a member of their team and someone who supports this disgraceful government.

I am sure, Mr Ramsay, you would agree that we can understand why Mr Nardella and Mr Languiller will have chosen to have residences down on the magnificent Bellarine. It is a magnificent part of the world indeed. We are very fortunate to have many magnificent parts of our electorate, but the Bellarine is an exceptional one. The irony of those two members choosing to, apparently, have residences in the Bellarine is that the member for Bellarine herself does not live on the Bellarine. The one member who could have lived on the magnificent Bellarine because it is in her electorate has chosen not to, and she has chosen not to for an exceptionally long period of time. I certainly do hope that when the election votes are cast and counted after 24 November we will have a new member for Bellarine in Brian McKitterick, a marvellous gentleman with an outstanding record and career.

The second residence allowance rort is one of the reasons that we are here. I think this government sees fit to attempt to in fact institutionalise rorting. I think that most Victorians would certainly recognise that just because you legislate a rort does not make it right, and when we go back and read the *Investigation of a Matter Referred from the Legislative Council on 25 November 2015*, the Ombudsman's report commonly referred to as the red shirts rorting report, it is very clear —

**Mrs Peulich** interjected.

**Mr MORRIS** — They could not lie straight in bed — indeed, Mrs Peulich. It is very clear where the priorities of the Labor Party lie, and the priorities of the Labor Party lie in their own self-interests and not in the betterment of our great state of Victoria. I think this is exemplified clearly by the lead red shirt — the head red shirt — Michaela Settle, who at the launch of the Community Action Network in 2014 spoke and welcomed everyone and said:

... thank you to the volunteers that over the last 241 days have built a real and reliable grassroots movement that gives voice to the values that we live and fight for.

Well, I could not agree more. The work of the Community Action Network certainly does give voice to the values that the Labor Party lives for, and that is that if there is a bucket of money there that they can rort, if there is a bucket of money there that is not theirs that they can get their hands on, they certainly will. They will misappropriate it, they will misspend it, they will misallocate it and they will do whatever they can to get an advantage, irrespective of whether it is right or wrong.

Michaela Settle of course, as well as being the lead red shirt — the head of the red shirt brigade — is also Labor's candidate for Buninyong. One would have thought that after being caught out the Labor Party would have said, 'Now, look, you were caught up in the wrong thing. We've got some issues here. You've got a personal advantage of well over \$20 000 due to this rort. You can't be the candidate', or she should have realised that she had been taken advantage of. If she did not know, she should have realised she had been taken advantage of and realised that these are the types of people she did not want to associate herself with.

**Mrs Peulich** interjected.

**Mr MORRIS** — There are awards coming in thick and fast, Mrs Peulich. What we have seen here is that Michaela Settle has been rewarded for her work in the campaign for Wendouree for the Labor Party. She should have been working for the good people of Ripon, where she was technically employed, but rather she was working for the Labor Party while being funded by the Victorian taxpayer. It was a shocking rort and something the likes of which, I am quite sure, have not been uncovered in the state of Victoria before. That is not to say it has not happened before, because the Labor Party have a track record of trying to cover these things up, as they did once again attempt to with this particular investigation as well.

The Labor Party rorted over \$383 000 that the Ombudsman found. We know that they have spent well in excess of \$1 million as well to try and fight the Ombudsman from conducting this inquiry, which is nothing short of shameful. And we saw the extraordinary action of the High Court in not granting leave to the Attorney-General to hear an appeal, which is an exceptionally rare event and indicated just how flimsy and weak — and desperate, I might say — that appeal was from the Attorney-General.

There was one rort that nearly passed me by. There was one rort that I nearly forgot. This was the printing rort. Do you remember it, Mr Ramsay? There was a printing rort.

**Mr Ramsay** interjected.

**Mr MORRIS** — Indeed it is somewhat unresolved. But there is a pattern of behaviour here because we saw Michaela Settle, who rorted over \$20 000 of taxpayers money for her personal benefit. Then we saw rorting in Mr Eideh's electorate office — a printing rort. Not too dissimilarly, again there has been patronage paid here. There has been payment for service here because the electorate officer who has been accused in Mr Eideh's office of this rort —

**Mr Ramsay** interjected.

**Mr MORRIS** — Well, he has a certain surname, Mr Ramsay, and that is Mammarella. There is a lower house electorate in our fine region of Western Victoria called the Melton district. The good people of Melton unfortunately have had to suffer through having their local member, Don Nardella, steal \$170 000 of taxpayers money. But now the Labor Party is going to try to force on the good people of Melton its new candidate, Justin Mammarella, whose father has been accused of rorting the printing allowance within the office of Mr Eideh. So we have a pattern of behaviour here: not only does the Labor Party rort; it is unrepentant and it actually rewards those who rort.

**Mrs Peulich** interjected.

**Mr MORRIS** — Indeed. The Labor Party's candidate for Ripon in the other place did work for Mr Nardella up until a very short time ago, and the only reason that the Labor candidate for Ripon left the employ of Mr Nardella, who is apparently an Independent member, was that it was highlighted in the media. So it is only when things come to light in the Labor Party —

**Mrs Peulich** — Exposé.

**Mr MORRIS** — Exposé, indeed. We get half apologies. We get their apologies for getting caught, not for being sorry for their actions.

I would just pose the question about Labor's candidate for Ripon as to whether or not when she was working for Mr Nardella: was she actually there? Was she there, or was she campaigning —

**Mrs Peulich** — Or was she filling out forms?

**Mr MORRIS** — Or was she filling out those forms to make sure that the electorate officers who were not doing their genuine work were being paid, because they were working as field organisers? It is a significant question.

But there are also of course many, many unanswered questions about these rorts, because we well know that there were members, not only in this place but in the other place, who refused to involve themselves with the investigation, so the Ombudsman was hamstrung in terms of her investigation and the information that was required to see what had actually happened here.

I think I have given members a brief overview of the reasons that this bill is before the house — and that is, because of these rorts. That is why we are here debating this bill; it is because of these rorts. I too think that it is incredibly important that we take into account that we need to not limit democracy in our state, and I think that is an important point. I speak to many small business owners who go about their work, and they work very, very long hours. These small business people are just as interested and engaged in politics as many others, but they are somewhat time poor. Then I reflect on the union members who stood for hours bullying and threatening at polling booths in the lead-up to and on the day of the last election. So we have two different groups: one that is time poor, and one that has all the time in the world to do the work of their political masters.

One of the issues that this bill entrenches is that if you are a business person, if you are working hard, if you are working long hours in a small business — perhaps just a mum-and-dad-type operation — you are going to be limited in your capacity to involve yourself in the political process because your donations are going to be capped, whereas those union thugs who might want to go to a polling booth and threaten a female Liberal candidate and the like —

**Mrs Peulich** — And get endorsement.

**Mr MORRIS** — Indeed. They will get the opportunity to stand to be a member of this Parliament.

This is what the government is trying to entrench by putting this legislation forward. It is limiting democracy in this state. It is changing the rules just because its members were caught rorting time and time again.

I am aghast to think of the behaviour of some of the Labor members in this place and the way they have attempted to take advantage of the Victorian taxpayer by rorting money time and time again. It is remarkable that there is only one party in this Parliament that has been caught rorting, and caught rorting time and time again. So the people of Victoria should remember that it is only the Labor Party that has been caught rorting this Parliament, and it always will.

**Mr RAMSAY** (Western Victoria) (11:47) — I rise to make a contribution to the Electoral Legislation Amendment Bill 2018, and in doing so it is probably worth mentioning the purposes of the bill, which are to streamline and reform voting procedures and processes, to formalise non-government party staffing arrangements and to reform the political donation regime. Many members have spoken a lot about the donation regime part of the bill, which I will also touch on.

The provisions include: clarifying time frames for registering as a political party; formalising the prepoll period at 12 days; simplifying requirements for postal vote witnesses and for identifying eligibility for enrolment; allowing for the use of logos on ballot papers; repealing the requirement for a voter to have a reason to vote prior to election day et cetera.

Part 3 defines a number of associated terms under the new political donation regime; bans political donations from foreign donors; bans anonymous donations of \$1000 or above; and allows for the appointment of compliance officers by the Victorian Electoral Commission.

Part 4 establishes a donation of \$50 or less as a small donation, therefore not captured by reporting; caps political donations at \$4000 per term; requires the establishment of a state campaign account (SCA), which I will talk about more later; stipulates that no political expenditure as defined by the act can be paid from anywhere except the SCA; and allows for a payment of \$40 000 per elected member to be paid to the registered party organisation for administration purposes — I will talk a bit more about that.

Part 5 sets a donation cap of \$4000 per term, details political expenditure reporting requirements for a registered political party and changes the amount of public funding paid to registered parties or a candidate

to \$6 per first preference for an Assembly vote and \$3 per first preference for a Council vote.

Part 6 goes to formalising non-government party and elected independent staffing arrangements and so on.

I take the opportunity to congratulate our shadow minister on this bill, Ryan Smith, the member for Warrandyte in the Assembly, who has tried to engage with the government and the crossbenchers to come to a point where we can support reforms in our electoral system, but at the same time remove some of the concerns of the bill with respect to the donation regime. I thank my other colleagues for their contributions, particularly in respect of raising our concerns about the behaviour of some Labor government members. It would be remiss of me if I did not mention particularly that Labor members in my own Western Victoria Region in fact have been named in the Ombudsman report into the red shirts rorts — Minister John Eren, Minister Gail Tierney and to a lesser extent the Minister for Police, Lisa Neville, have all been implicated in that report for rorting.

**Mr O'Donohue** interjected.

**Mr RAMSAY** — Thank you, Mr O'Donohue. We have a Minister for Police and a Minister for Corrections actually implicated in a corruption report from the Ombudsman, so we can see what we are dealing with here. We have Mr Melhem, I think, still being investigated by the crime commission; we have the former Deputy Speaker of the Legislative Assembly, Mr Don Nardella, expelled from the Labor Party for his part in rorting the second home allowance; and we have the former Speaker of the Legislative Assembly, Telmo Languiller, who was investigated and found guilty of rorting his second home allowance. As Mr Morris has identified, it is a rather strange circumstance that while Mr Nardella and Mr Languiller both had the urge to live in the beautiful region of Bellarine — Mr Nardella had a particular liking for a caravan park in Ocean Grove and Telmo had a particular liking —

**Mr O'Donohue** interjected.

**Mr RAMSAY** — I am getting to that, Mr O'Donohue. I was just about to say that the former Speaker had a particular liking for Queenscliff. Unfortunately he never got to live there but in fact had that as an address. As Mr O'Donohue reminds us, in fact the member for Bellarine does not have such an affection for Bellarine. She chooses to live in Geelong West, which is disappointing. Hopefully Mr Nardella

and Mr Languiller will apprise her of the attractiveness of actually living in her electorate of Bellarine.

I am glad to see Ms Springle in the chamber now because I was about to give an appropriate spray to the Greens. I was a bit worried that Ms Truong would have to take the full frontal assault on what I would call the sanctimonious swill from Dr Ratnam when she stood up and showed, as Mr O'Sullivan eloquently described, the sheer hypocrisy of the Greens by talking about transparency when in fact they have had their hands out taking all manner of donations — quite large donations — from those who have self-interest. They have taken over \$2 million from two donors; they have gone to them cap in hand in order to build up their coffers. Also the Electrical Trades Union, through the back door, have been supporting the Greens over a number of years. It is only now that they have actually dumped the Greens and gone back into the fold of the Labor Party. That funding stream will be cut off. It is no wonder they want to go back to the taxpayers purse to fund their political campaigns as a result of some of their larger donors drying up. Talking about sanctimonious, I remember when Mr Barber was here and every time we had a discussion around politicians' salaries he would stand up in here, hand on heart, and say, 'We are not deserving of any sort of increase in salaries'. But here they are wanting to grab hold of the taxpayers purse to fund their political campaigns because their donors have dried up. That is the sheer hypocrisy of the Greens, and I will say more about that later.

I have some advice on Ms Patten too — Ms Patten who cannot decide what name to call the party she purports to represent. We have gone from the Sex party to the Reason party to some other party next week. I understand she has put out a press release today saying she has sold her soul for \$25 000 a vote. She has been doing some nice backgrounding with the Labor Party with respect to how she is willing to sell her soul for a mere \$25 000. I am very disappointed in what she is trying to do to fund her campaign for the November election.

I have talked briefly about the individuals in regard to the second home allowance rort and I have made mention of others who have been implicated in some corrupt activities, but I also want to talk about the Ombudsman report and those implicated, because it was interesting to note that three Labor members in Western Victoria Region have all been implicated in that report. As we know, the Premier received that Ombudsman report at least three weeks before it was made public. That was why we had this quick scurry from the Labor Party apparatchiks to put forward a

cheque of \$388 000 which was identified as being a rough calculation of what moneys had been rorted by their members of Parliament during the red shirts campaign.

What has become more apparent is that the Attorney-General, Martin Pakula, has seen fit to waste more taxpayer dollars with respect to fighting off challenges through three courts of this land to try to stop the publication of the investigation and the work done by Deborah Glass as outlined in her report. We can only guess what the total amount of those legal challenges was, but we are expecting in excess of \$1 million of taxpayers funds has been used — and abused, I might add — to stop the truth coming out about the way that the Labor Party misused electorate allowances and electorate budgets to run campaigns from their parliamentary offices. There will be more said about that no doubt as the Privileges Committee deliberates over their reference during the next few months, because their reporting date, I understand, is in August. I am sure that committee will be very busy investigating the rorts, and I am sure it will unearth more rorts as we go ahead.

But at the end of the day Mr Jennings is desperate to get this bill through today, and as has already been flagged with my other colleagues, there is real concern, particularly given that it seems the unions are not affected in their ongoing support and donations to the Labor Party. It is beautifully drafted, Mr Dalidakis. It is almost as if you had a hand in bringing us a piece of legislation that the unions are not affected by. They can just keep sifting their corrupt funding into the Labor Party for their corrupt members of Parliament to be able to run their corrupt political campaigns. It is no surprise that John Setka's financial adviser from the CFMMEU is now working for Bill Shorten as his financial adviser, so we can see how cosy the federal opposition leader is in using CFMMEU staff to provide advice in financial matters. You can only imagine where that will end up.

**Mr Gepp** — Where will that end up? You tell us.

**Mr RAMSAY** — I suspect it will end up where you and your colleagues have ended up, Mr Gepp: in an Ombudsman report and probably in an IBAC investigation. That is where that might end up. If we ever get a national IBAC, I reckon Bill Shorten will be front and centre at the first public hearing of a national IBAC investigation into rorts, fraud and corruption in the Labor Party at a federal level. I am sure if John Setka wants to join Cesar Melhem, formerly of the Australian Workers Union, in this Parliament or in the federal Parliament, it will give more grist to the mill for the national anti-corruption body to be able to

investigate what rorting and corruption is going on at a federal level. Nevertheless, you have opened the door today with this legislation. You have opened the door to having unions exempt, leaving them able to donate to the Labor Party, yet you are wanting to put a whole lot of barriers around other donations that will be affected by this piece of legislation.

As we go through the day no doubt the amendments will come before the house and we will have a better understanding of what really is going on in relation to where the crossbenchers sit, because no-one knows. Apparently all the crossbenchers are running to Neil Mitchell this morning saying, 'I've got a plan and an idea that I can look after myself'. Ms Patten led the charge. We will probably have the Shooters and Fishers running over to Neil Mitchell very shortly saying, 'Well, we've got a plan, and we'll look after him and I'll look after that', and it will go on and on.

Heading back to the bill, I would like to raise a couple of other issues. As I said, in this proposed legislation union affiliation fees remain — funny about that — maintaining the significant funding the ALP enjoys while subjecting additional other donations to the legislative caps. As I said, a unanimous High Court decision in 2012 found that the —

**Business interrupted pursuant to sessional orders.**

## QUESTIONS WITHOUT NOTICE

### Victoria Police rural resources

**Mr BOURMAN** (Eastern Victoria) (12:01) — My question today is for the Minister for Corrections on behalf of the Minister for Police. Stock theft is a growing issue which is adding to the already long list of stressors for the farmers of Victoria and Australia. I was reading a story on the *Weekly Times* website that mentioned that stock theft was capped at an inadequate amount for insurance purposes, with an ABC online article mentioning the rise in stock thefts — which does go to show I do read the ABC. This leads to the issue of police resources in rural areas. Whilst the recent increase in police numbers is most certainly a good thing, there is still a long way to go. Victoria Police have created the agricultural liaison officer position, but I believe there needs to be a dedicated squad to deal with agricultural crime, in particular livestock theft. My question is: police resourcing in rural areas is still critical in general. What is the government proposing to do about it?

**Ms TIERNEY** (Minister for Corrections) (12:02) — Can I just get some clarification — was that a question to me for the police minister?

**An honourable member** — Yes.

**Ms TIERNEY** — Okay. Thank you. It now makes sense. The member raises an important question in relation to stock thefts — I have seen some of the interactions that have been undertaken in the community and in the media in relation to this — but in particular he raises a question about police resources in rural Victoria, and I will seek a written response from the Minister for Police in respect of that.

*Supplementary question*

**Mr BOURMAN** (Eastern Victoria) (12:03) — I thank the minister for her answer. Whilst the agricultural liaison officer program is a good move, will the minister work with Victoria Police (VicPol) to create a dedicated squad with the aim of suppressing crime in rural areas?

**Ms TIERNEY** (Minister for Corrections) (12:03) — Again I will refer that matter — a matter that is a request for a dedicated resource that is specific to rural crime and a particular unit or division within VicPol for that to occur.

**Youth alcohol and drug treatment**

**Ms PATTEN** (Northern Metropolitan) (12:04) — My question is for the Minister for Families and Children. Minister, we know that alcohol and other drugs (AOD) treatment for young people works. Research indicates that each dollar spent on AOD treatment returns \$8 in future savings to health and justice-related services. In another study it was found that residential rehabilitation achieves savings of over \$200 000 when compared to prison. Residential rehabilitation is cheaper than prison and achieves better outcomes in reducing offending and improving health. Treatment means fewer young people are dependent; it means fewer overdoses, fewer deaths and a reduction in drug-related crime. I am aware that the Liberal Party has politicised Magistrate Bowles's *What Can Be Done?* report and plan for residential rehabilitation —

*Honourable members interjecting.*

**Ms PATTEN** — Although I am pleased that they do support it. But her recommendations were supported in both —

*Honourable members interjecting.*

**The PRESIDENT** — Order! Thank you.

**Ms PATTEN** — Will the minister consider implementing these reforms in a non-custodial environment rather than at Cherry Creek?

**Ms MIKAKOS** (Minister for Families and Children) (12:05) — I thank the member for the question and her interest in relation to young people receiving adequate support for alcohol and drug issues. I can advise the member that when it comes to issues around alcohol and drugs our government does not shy away from the reality of the problem. In fact we had a situation where Minister Foley, as the responsible minister, was left an alcohol and drug sector that was in disarray following the botched recommissioning that Mary Wooldridge was responsible for.

These are complex issues. As former Chief Commissioner of Police and the national *Ice Action Plan* task force chair, Ken Lay, has often said, this is not a problem that we can arrest our way out of, it is a health problem, and we have treated it that way. I have highlighted to the house on a number of occasions that we have had a significant number of young people incarcerated with drug issues. Those coming into our youth justice facilities on remand who might be drug affected, particularly affected by drugs like ice, and are withdrawing also present a challenge to our youth justice staff. That is why we have made a commitment around providing for further drug treatment to be offered within a custodial environment — to make sure that those young people, when they are released back into the community, can get their lives back on track. This is an appropriate response to this very serious issue. I have referred in the past to the fact that we have seen the Youth Parole Board make comment about the very significant number of young people who were drug-affected at the time of committing their offence, and obviously that is playing out in our youth justice facilities as well.

Just yesterday we had the Children's Court annual report tabled in this house. It actually confirmed what I have been saying for some time: youth crime has been trending down for a decade and that is why in fact fewer people are being found guilty. Ms Crozier may not get that, but I would have thought that that would have been pretty self-evident. If you have youth crime trending down for a decade, therefore the Children's Court is finding fewer young people guilty.

But because we have a small cohort of young people committing serious crimes, our government has been responding to these issues. We have brought in unprecedented changes, including tougher bail and

sentencing laws that those opposite tried to scuttle, and as a result we have had a 54 per cent increase in the number of detention orders made by the Children's Court since 2014–15. So we have actually got more young people detained in custody now under the Andrews Labor government than was the case under the previous coalition government. So despite all the rhetoric from those opposite, it is actually Labor that is responding to these issues.

We have got more young people going into custody, and that is why we need to make sure that we have an appropriate response when they are in custody. We are making sure through the \$50 million package that I announced late last year in response to the Armytage-Ogloff report that we are offering more rehabilitation options to young people in custody than ever before, and we are going to offer additional treatment options to those young people who are in custody.

*Supplementary question*

**Ms PATTEN** (Northern Metropolitan) (12:09) — I note, Minister, that you actually did not answer the question, but you did boast that more young people are being detained under your government than under the previous government. I personally do not think that is something to boast about. This goes back to the issue that we know that if you put children into treatment, you get a far better outcome than if you put them into prison. I guess by way of supplementary I ask again: will you accept the Armytage-Ogloff recommendation that Magistrate Bowles's recommendations for giving children treatment via the Children's Court be adopted?

**Ms MIKAKOS** (Minister for Families and Children) (12:10) — The member knows full well that the government will be providing a response to the parliamentary inquiry in due course and that we have been working on responding to the Armytage-Ogloff report, a very extensive report that the parliamentary inquiry borrowed very heavily from — in fact some might say the committee borrowed so extensively from that report they could have just tabled it in lieu of the parliamentary inquiry report.

We have been getting on with addressing these issues. Minister Foley is rolling out more drug treatment beds in the community that will also benefit young people. We are responding to the issues in terms of young people in our youth justice system through the responses that I have already referred to and also the electronic monitoring and the mandatory drug testing for young people being placed on parole that I have spoken about in this house before. What we can say in

relation to the Liberals' proposal is that they are yet to tell the Victorian community where their facility is going to go.

**The PRESIDENT** — Order! Thank you, Minister.

**Native forest timber exports**

**Ms DUNN** (Eastern Metropolitan) (12:11) — My question is for the Minister for Agriculture. Minister, industry chatter amongst the mills is that there is approximately 40 000 cubic metres of native forest being exported to China. Can the minister confirm if ash or mixed species is being exported as whole logs or, as the industry describes it, 'in the round'?

**Ms PULFORD** (Minister for Agriculture) (12:11) — I thank Ms Dunn for her apparent concern for small mills in regional Victoria. I did not know that Ms Dunn was concerned about the fate of small mills in regional Victoria. Ms Dunn is asking about the level of export activity as a result of native timber industry production and processing in Victoria. The policy that operates is that exports are only used as a last resort. The most recent advice that I have on this question is that all the timber resource is being absorbed by domestic demand. I am not sure what the basis of Ms Dunn's claim is, but certainly the mills in Victoria have no shortage of demand for quality timber resource, and on account of that there is not surplus timber available to export markets.

*Supplementary question*

**Ms DUNN** (Eastern Metropolitan) (12:13) — Thank you, Minister, for your answer, which I think was a no, but I am not quite sure if it was a no, because it certainly danced around my question to a degree. In terms of wood and surplus wood, Minister, I am wondering if you can explain why wood currently logged in the Strathbogies is ending up on the dock and being exported.

**Ms PULFORD** (Minister for Agriculture) (12:13) — At the outset I would indicate to Ms Dunn that I do not accept the proposition that she is putting to me. If there is export activity in the order of what which she is referring to, then I will provide Ms Dunn with further information about that in writing.

**Pill testing**

**Ms SPRINGLE** (South Eastern Metropolitan) (12:14) — My question is for the minister representing the Minister for Health. On Wednesday the Safety and Testing Advisory Service at Festivals and Events — STA-SAFE Consortium in the ACT — delivered its



report on the pill testing pilot which took place at the Groovin the Moo festival in April. The report recommended that ‘further front-of-house pill testing, as part of a commitment to harm reduction services, be supported in the ACT’ and that ‘Australian state and territory governments utilise the significant practical and strategic knowledge of the STA-SAFE Consortium in their deliberations on the introduction of pill testing’. My question to the minister is: will you consider the recommendations of the STA-SAFE Consortium and introduce front-of-house pill testing in Victoria?

**Ms MIKAKOS** (Minister for Families and Children) (12:15) — I thank the member for her question. She has referred to this matter as a matter for the Minister for Health. It is probably more appropriate actually to be directed to Minister Foley, given he has responsibility for alcohol and drug services, so I may refer it to Minister Foley instead. What I can say to the member is that we have welcomed the parliamentary inquiry into drug law reform and we have been considering these matters very carefully. The issue of drug consumption is a complex issue. It requires many different approaches. We have increased funding to our suite of harm minimisation responses, which continue to tackle the issue of drug taking in our community. In 2018–19 the government will invest a record \$259.8 million in drug services, representing an increase in investment of 57 per cent since 2014–15.

Our \$184 million *Ice Action Plan*, already rolling out across Victoria, has seen significant additional support to the community, and Minister Foley has also announced a further \$87 million for our *Drug Rehabilitation Plan*. A key component of this *Ice Action Plan* stage 3 is nearly \$35 million to address demand in alcohol and drug treatment. A further \$12 million was dedicated specifically to preventing overdose. Minimising harm in our community is the number one priority, and that is why our government last year announced a trial of a medically supervised injecting room in North Richmond.

For those young people who are experimenting with drugs at festivals and parties, we continue to invest in the DanceWize program provided by Harm Reduction Victoria. This program involves peer educators attending dance parties, festivals and nightclubs to provide trusted, friendly and non-judgemental advice to people considering using pills. These peer educators host chill-out spaces at festivals that provide a place for young people to access advice about safer drug use and health resources. We have given \$500 000 a year to establish six peer networks at key hotspots around the state to prevent overdose deaths from dangerous drug consumption.

Obviously it is an important issue where we have got young people seeking to take drugs in the community and engaging in risky behaviour, so we need to help them to access medical assistance and drug treatment services. We know that a person who is considering taking a pill is likely to listen to the advice of a trusted peer with lived experience of drug usage.

The government is also investing in other key harm reduction activities with an \$18.5 million investment providing key initiatives, such as the needle and syringe program, opiate substitution treatment and overdose response education and training on the use of the life-saving medication Naloxone.

I can seek further advice from the appropriate minister, but I can advise the member — as I have already — that we as a government are doing a range of things around harm minimisation, particularly to support young people around issues such as pill taking and other risky behaviour.

#### *Supplementary question*

**Ms SPRINGLE** (South Eastern Metropolitan) (12:18) — The report also recommended that Australian state and territory governments engage in discussions with their relevant ACT counterpart on the introduction of medical and peer-based front-of-house pill testing services. Will you engage with your counterpart in the ACT Labor-Greens government on front-of-house pill testing?

**Ms MIKAKOS** (Minister for Families and Children) (12:19) — I think it is a Labor government in the ACT, Ms Springle. What I can say to the member further is our priority in tackling drug and alcohol consumption in our community will always be to ensure the safety of the community and to minimise harm. The government has previously said that we will not commit to pill testing, but this is an important parliamentary report and we are going to give it the consideration it deserves. If the relevant minister has more to add to my response, I am sure he will be very happy to provide the member with that.

#### **Prisoner social media access**

**Ms WOOLDRIDGE** (Eastern Metropolitan) (12:20) — My question is to the Minister for Corrections. Minister, on 8 May 2018, when questioned on Craig Minogue’s original social media posts, at the time you said, and I quote, ‘I have asked Corrections Victoria to investigate the options for what can be done about this in the circumstances that we have’. What

were the recommended changes from Corrections Victoria following that investigation?

**Ms TIERNEY** (Minister for Corrections) (12:20) — As I have said before, Victorian prisoners do not have access to the internet and cannot upload or publish information themselves. This is being done by a third party, and it is being done by a person or persons outside of prisons. This was raised in May, and I did seek advice from Corrections Victoria and the Department of Justice and Regulation. Corrections Victoria is looking at options to prevent inappropriate material ending up on social media. We do need an effective and sensible solution, or solutions, that will work in a very complex prison environment. While I am receiving that advice I will not make comment that will undermine the security and the operation of our prisons, nor will I make comment that could potentially inform prisoners and other protagonists.

*Supplementary question*

**Ms WOOLDRIDGE** (Eastern Metropolitan) (12:21) — So in six weeks since this first happened it sounds like absolutely nothing has been done. You are still seeking advice, and we have seen a subsequent release of a voice recording of Craig Minogue just this week, to the detriment of certainly his victims' families, who are very affected by it. So can you please advise the house: have any changes been made since you were asked on 8 May in relation to this release of information on social media by Craig Minogue?

*Honourable members interjecting.*

**The PRESIDENT** (12:22) — Order! Mr Dalidakis, 15 minutes. It is absolute nonsense, those interjections, and you know it.

**Mr Dalidakis withdrew from chamber.**

*Honourable members interjecting.*

**The PRESIDENT** — Does anybody else want to join him? Ms Wooldridge, can you just put that question again?

**Ms WOOLDRIDGE** — The question is: have any changes been made since 8 May in relation to the release of social media posts by Craig Minogue?

**Ms TIERNEY** (Minister for Corrections) (12:23) — Again I say that while I am receiving further advice on this very complex matter I will not be making further comment that will potentially impact on the security of the prison system or the operations of the prison

system, nor will I make comment that may lead to information being gained by prisoners or protagonists.

**Prisoner social media access**

**Mr O'DONOHUE** (Eastern Victoria) (12:23) — My question is to the Minister for Corrections. Minister, after nearly three days has Corrections Victoria listened to Craig Minogue's telephone recordings from Tuesday afternoon to determine who is recording his social media voice messages?

**Ms Mikakos** interjected.

**Ms TIERNEY** (Minister for Corrections) (12:23) — Exactly. Ms Mikakos's comment is correct. Given that Mr O'Donohue was the Minister for Corrections, he would know in detail that in terms of the surveillance and intelligence systems that operate in the prisons I will not and cannot comment on that.

*Supplementary question*

**Mr O'DONOHUE** (Eastern Victoria) (12:24) — I note, President, my question merely asked if it had happened, not to disclose any details. But I ask by way of supplementary, Minister: what investigations have been completed to determine who is recording Craig Minogue's audio messages, and if they are complete, why has no-one been removed from his call list, as you have confirmed in your written answer to my question from yesterday?

**Ms TIERNEY** (Minister for Corrections) (12:24) — Obviously there are investigations underway, and again, I will not provide any detail as to the details of what is being undertaken by Corrections Victoria.

**Corrections Victoria**

**Mr O'DONOHUE** (Eastern Victoria) (12:25) — My question is to the Minister for Corrections. Minister, how much will it cost taxpayers to move Corrections Victoria from 121 Exhibition Street to 50 Franklin Street?

**Ms TIERNEY** (Minister for Corrections) (12:25) — I thank the member for his question. In terms of Franklin Street, that will become the new home for the parole board and indeed the Post Sentence Authority. In relation to the actual details of costings, I do not have those at hand at the moment, but I am prepared to see what is available and provide information to the member.

*Supplementary question*

**Mr O'DONOHUE** (Eastern Victoria) (12:26) — Minister, at a time when the budgets of prisons across Victoria are being reviewed and squeezed, why isn't frontline service delivery being prioritised over new head office accommodation?

**Ms TIERNEY** (Minister for Corrections) (12:26) — Goodness me! If members had actually seen the offices in which the parole board operates —

**Mr O'Donohue** interjected.

**Ms TIERNEY** — and indeed the Post Sentence Authority, Mr O'Donohue, it would be very clear to you that they are not the appropriate working conditions for those organisations. This is a timely relocation of those authorities and indeed other people who have been working in what I consider to be quite undesirable work environments in terms of what they have had to put up with. I know that they are all looking forward to shifting into the new premises, and I look forward to them being able to work in an environment that is of a similar status to the work that they actually perform.

**Latrobe Valley Authority**

**Ms BATH** (Eastern Victoria) (12:27) — My question is to the Special Minister of State for the Premier. In a response to question on notice 12 655 the Premier said the Latrobe Valley Authority (LVA) is 'primarily run by a dedicated team located in the Latrobe Valley'. This did not adequately answer my question about how many of the LVA's staff are actually located in the Latrobe Valley and how many are located in Melbourne. So again I ask: how many of the LVA's 33.9 full-time staff are located in the Latrobe Valley and how many are located in Melbourne?

**Mr JENNINGS** (Special Minister of State) (12:28) — I thank Ms Bath for her question. I do not know the absolute number, but I certainly know it is the majority, and the intent is for people to be supporting the work of the Latrobe Valley Authority to be working in the Latrobe Valley; that is my understanding. I will actually see whether in fact I can augment it beyond what you already know and what I have volunteered to you. But certainly this government is committed not only to ensuring better outcomes for the Latrobe Valley but to providing opportunities for new jobs to be created, for new industries to be developed there, for transitional arrangements in relation to industry adjustment to be provided in a timely way and for investments to be made in areas such as the important rehabilitation and restoration of environmental values

and the health status of people in the Latrobe Valley; that has been something we have been dedicated to achieve. We actually understand the importance of jobs locally and people living in the local community having working opportunities, and I believe that our approach to the establishment of the authority is consistent with that, but for the absolute details I will need supplementary information from my colleague.

**The PRESIDENT** — What's that noise?

**An honourable member** — It's the printer.

*Supplementary question*

**Ms BATH** (Eastern Victoria) (12:29) — Thank you, Minister. Noting your response to the first question, the Department of Premier and Cabinet (DPC) is currently advertising the job of principal policy adviser within the Latrobe Valley Authority based in Melbourne. Why isn't the government advertising these roles to be based in the Latrobe Valley?

**Mr JENNINGS** (Special Minister of State) (12:30) — President, for the public record of the *Hansard* extract, when I concluded my comments and the next thing that came out of your mouth was, 'What's that noise?', you were not really referring to me; I am confident about that. There was some extraneous noise in the chamber that distracted the President, and I just draw that to the attention of the house in case people might have construed the President's comment as being about me. He may now, subsequently, given that I have no additional information beyond the scope of what I have provided in my initial answer to you I think —

**Mr O'Donohue** interjected.

**Mr JENNINGS** — Quite the opposite, Mr O'Donohue. What you will discover is this is a government that actually does deliver greater opportunities for the public sector in regional areas, including the Latrobe Valley. Indeed in my presentation to the Public Accounts and Estimates Committee I demonstrated last week that despite the general employment rate of 22 per cent of the Victorian workforce being outside metropolitan Melbourne, for the public sector that is 30 per cent — clearly well and truly above the private sector.

**Caretaker government conventions**

**Mr RICH-PHILLIPS** (South Eastern Metropolitan) (12:31) — My question is to the Special Minister of State, and it relates to a number of changes made by the government to the caretaker convention

guidelines which apply once the Parliament is dissolved prior to the election. One change is to remove the previous requirement for cabinet documents to be returned by ministers or agencies to the relevant central agency. Why has that change been made?

**Mr JENNINGS** (Special Minister of State) (12:31) — There are a couple of aspects to Mr Rich-Phillips's question that I actually have to clarify for the benefit of the house. The caretaker conventions that have been circulated are the domain of the public service. They have been provided to the government; the government is aware of them and the government is prepared to comply with them, but we see them clearly as conventions of the custodians of the public service. So in fact those who determine those conventions obviously did discuss with the executive government the way in which they would apply, but I think it is important that the member should understand that and the community should understand that. Indeed in relation to any variation that may have occurred to the pre-existing ones I will need to take some further advice from the head of the public service. There may be variations; I cannot actually quite confirm or deny it. I know that basically there is a high degree of continuity between the conventions that have applied to previous elections. I am not mindful at this moment of what variations occurred between the last iteration in the lead-up to the 2014 election and this one, but I will take some advice on it.

*Supplementary question*

**Mr RICH-PHILLIPS** (South Eastern Metropolitan) (12:33) — I thank the minister for his answer and his undertaking to provide further information. I note his comment that they are issued in the name of the head of the Department of Premier and Cabinet (DPC) but in consultation with the government. A further change that has been made to the guidelines is to require a DPC staffer to be at all pre-election consultations with government agency heads. I ask: how is it justified for agency heads in giving independent, frank and fearless advice to now be subject to DPC monitoring and oversight?

**Mr O'Donohue** — Gavin overlooks everything.

**Mr JENNINGS** (Special Minister of State) (12:34) — No, I do not. What I can say is that even in the construction that is implied and then backed in by other members of the opposition in relation to impugning the actions of the Department of Premier and Cabinet as actually serving the interests of the government of the day, I think it is appropriate for us to recognise that the public service is not acting in a

fashion that is actually dictated at ministerial feet in relation to those meetings. Indeed you could argue that this mechanism is actually a better belt-and-braces protection within the public service than what otherwise might be the case. I certainly know that the types of briefing that were available to the then opposition in the lead-up to the last election were far from satisfactory in relation to the information flow that came to the opposition at that time.

**Written responses**

**The PRESIDENT** (12:35) — In respect of today's questions I seek written responses to Mr Bourman's question to Ms Tierney, the substantive and supplementary questions, in two days; Ms Patten's question to Ms Mikakos, the substantive and supplementary questions, one day; Ms Dunn's question to Ms Pulford, the supplementary question, one day; Ms Springle's question to Ms Mikakos, the substantive and supplementary questions, two days; Mr O'Donohue's second question to Ms Tierney, the substantive question, one day; Ms Bath's question to Mr Jennings, the substantive and supplementary questions, two days as it involves a minister in another place; and Mr Rich-Phillips's substantive question, two days.

**Ms Crozier** — On a point of order, President, yesterday in question time I asked a question of the Minister for Families and Children in relation to a specific incident that happened at the Parkville youth justice centre, a very serious issue, and I asked a supplementary question in relation to whether the perpetrator of that alleged offence actually was released on bail. I am of the view from the answer that I have received, which is pretty much what the minister stated yesterday in the house, that she has not answered the questions, and I would ask that they be reinstated.

**Ms Mikakos** — On the point of order, President, as I explained in the house yesterday and as I have advised the member further in writing in this response, members would be well aware that I am unable to provide comment on individual matters involving young people in youth justice centres. There are very clear legal parameters around these matters, and it goes to the safety and security of our facilities, it goes to the welfare of the young people involved and it goes to the potential identification of young people within the youth justice system. I think it is important to bear in mind that we have, compared to the prison system, a relatively small number of young people incarcerated in our youth justice system. Therefore I need to be very careful not to identify any individuals in relation to these types of issues.

In relation to the supplementary question that the member is referring to, her question was predicated on getting a particular response to the substantive question. I make that point firstly because they are interlinked, and I again make the point that there are some legal restrictions and parameters around being able to provide commentary around these particular matters. The member has made a particular assertion and I am highlighting to the house the legal parameters around these particular matters. But I have provided a great deal of detail to the house around the general process that is followed in relation to these types of allegations if they did in fact occur.

**The PRESIDENT** — I have had a look at the questions and am of the view that in fact a simple yes or no to both questions would acquit the questions and would not in any way identify any individual, so I therefore reinstate the questions.

## RULINGS BY THE CHAIR

### Questions on notice

**The PRESIDENT** (12:39) — I have a letter from Ms Wooldridge in respect of question on notice 12 662. That question was directed through the Minister for Agriculture to the Minister for Public Transport, and I am of the view that the answer has not been provided to that question satisfactorily, so I reinstate that question.

**Ms Wooldridge** — On a point of order, President, in relation to question time today, I am wondering if you would consider my question, both the substantive and the supplementary questions, to the Minister for Corrections. The Minister for Corrections did respond saying because of security she could not comment on these matters. I put to you that given that she directly answered a question in relation to Craig Minogue's call list in a written response today that said that the call list had not been removed, she actually has been prepared within the last 24 hours to respond to this house in relation to specific questions and it is convenient today for her to just say that she is not prepared to generally. I am wondering if you would consider reinstating that question for the minister to respond to in the interests of consistency.

**The PRESIDENT** — My problem with reinstating this question is that the minister basically said that the process had not been completed, and I think you actually acknowledge that in the supplementary question. To the extent that the process has not been completed, I think that that is an answer in itself to these questions. That is why I did not seek a written response at this time. There may well be some concern

about the fact that that process has not been completed, but that is the situation. If you wish to move a motion to take note of the minister's answer, I would still entertain that at this point.

**Ms Wooldridge** — I will follow up.

**The PRESIDENT** — Thank you.

## CONSTITUENCY QUESTIONS

### Eastern Metropolitan Region

**Mr LEANE** (Eastern Metropolitan) (12:42) — Mullum Primary School, which is in Ringwood, is a fantastic primary school. As the President would probably know as well, at the back of the primary school the grounds go down steeply from the buildings. A new building is being built at the back, a new performing arts centre, which is fantastic. But because of the gradient of the land at the back of the school there has been an ongoing drainage issue for quite a while. It really needs to be remedied sooner rather than later, especially so the students and the teachers can enjoy the new outdoor art centre. The question is to Mr Merlino, the Minister for Education: can this be remedied as soon as possible? Can this be remedied once and for all and as soon as possible?

**The PRESIDENT** — What an outstanding constituency question, Mr Leane.

### Western Victoria Region

**Mr PURCELL** (Western Victoria) (12:43) — My question is for the Minister for Agriculture and Minister for Regional Development. The Australian Competition and Consumer Commission (ACCC) has ordered Saputo to dispose of the Murray Goulburn plant in Koroit. This was a couple of months ago, and many dairy farmers, and importantly the Koroit employees, are waiting with uncertain futures. Many are really concerned about their job security. My question is: Minister, can you shed any light onto the timetable that the ACCC has set for Saputo to resolve this sale and any uncertainty that the employees at the Koroit factory are facing?

### Eastern Metropolitan Region

**Ms WOOLDRIDGE** (Eastern Metropolitan) (12:43) — My question is for the Minister for Roads and Roads Safety and relates to the future upgrade of the Diamond Creek Road–Civic Drive–Greensborough bypass roundabout. The Liberals have already announced a congestion-busting intersection policy of replacing heavily trafficked intersections with

grade-separated roads. In Eltham it is planned to remove the roundabout at Main Road and Fitzsimons Lane, and our Liberal candidate, Nick McGowan, is advocating for a second grade separation at the congested Civic Drive–Greensborough bypass–Diamond Creek Road intersection.

To date the minister has been critical of the Liberal plan, describing it as half-baked. However, in perusing the government’s recently released business case documents for the north-east link project, in *Appendix I: Complementary Projects* there is a proposal to upgrade Diamond Creek Road to improve traffic management. It includes, and I quote:

Replacing the existing roundabout intersecting Diamond Creek Road and Civic Drive with grade separation for Diamond Creek Road to Greensborough bypass traffic.

With this proposal now in government documents, I ask: will the minister commit to removing the congested roundabout at the Diamond Creek Road–Greensborough bypass intersection and replacing it with a grade-separated road?

### Northern Metropolitan Region

**Mr ONDARCHIE** (Northern Metropolitan) (12:45) — My constituency question today is for the Minister for Health in the other place. It concerns the Northern Memorial Park in Faulkner and the park’s expansion. The Northern Memorial Park is an often visited, very sombre and sacred place and a place of grief and reflection. It is the burial place of my grandmother. It is the burial place of my sister. The 2018–19 budget papers show a decline in the park investment from \$40 million to \$26 million, and this capital project has been delayed until 2027–28. This park caters for a wide range of faiths and cultures, and is a much-needed part of Melbourne’s northern suburbs. My question then to the minister is: could she advise me so I can advise my constituents why the decision to cut the capital budget and delay the expansion project has been made?

### Eastern Victoria Region

**Ms BATH** (Eastern Victoria) (12:46) — My question is for the Minister for Mental Health. Increased drug use and crime are having a significant impact on communities in the Latrobe Valley. Drug offences are up as much as 18 per cent over the past 12 months. Business owners in Traralgon and Morwell are concerned by an increase in drug-fuelled robberies. A disturbing example happened two weeks ago in Traralgon. A man under the influence of drugs entered

a store in an agitated and irate state and began to steal items from the shelves. The owner could do nothing, frozen in fear — a very, very stressful situation. Speaking with the police, it became apparent from CCTV that this man went on to rob a number of other stores in the area. What is the government doing to stop the drug scourge that is fuelling these frightening robberies in and around the Latrobe Valley?

**The PRESIDENT** — It is again a broad issue in Victoria, not specific, in terms of the way you have framed the question.

**Ms BATH** — President, it relates specifically to a robbery at Traralgon.

**The PRESIDENT** — But your question did not say that. Essentially you have described a situation, but your question does not refer to a specific action in your constituency. It does this blunderbuss thing, which other members have also been doing, of talking about what the government is doing statewide on the broad issue, not what is happening in your electorate.

**Ms BATH** — President, it identifies the Latrobe Valley. What is the government doing in the Latrobe Valley? That was specific.

**The PRESIDENT** — It is not specific enough for a constituency question. This is the same issue that I have had with Mr Gepp and Mr Leane in particular, and Ms Shing for that matter. It has got to be specific to your area in terms of a government action that they can take, if you like, by way of a question raising what they are doing specifically in your patch. You did not describe it that way. I will give you a chance to do so.

**Ms BATH** — What is the government doing in Traralgon to stop these sorts of robberies that are fuelled by people suffering from ice and drug problems?

### South Eastern Metropolitan Region

**Mrs PEULICH** (South Eastern Metropolitan) (12:48) — My constituency question today is for the attention of the Minister for Roads and Road Safety, Mr Donnellan, who represents one of the Assembly seats located in Casey and has done so for a long time, but unfortunately he does not live there. He lives in the CBD or very close to it, and so many of the problems concerning the roads system and congestion are things that he may not be fully aware of.

Recently in my discussions with the Liberal candidate for the Assembly seat of Narre Warren South the issue was raised of noise that emanates from heavy

congestion on the South Gippsland Highway, in particular between Lynbrook Boulevard and Hallam Road. She has been very much interested in seeing what other measures could be taken to reduce the traffic, but there is one issue that needs to be investigated. What I would like to call for is an investigation into some noise attenuation measures to protect the residents along that stretch of the South Gippsland Highway in the residential parts of Lynbrook who are suffering undue negative impacts on their amenity as a result of the heavy traffic congestion. These could be solved by other measures as well, but this is one that needs to be investigated.

### Northern Victoria Region

**Ms LOVELL** (Northern Victoria) (12:49) — My question is to the Minister for Public Transport. The 2018–19 budget, budget paper 3, page 28 shows that improvements to Shepparton rail services will not be delivered until 2022 at the earliest — four long years away. Earlier this week I raised a post from the Shepparton Rails Facebook page on 14 June. Now I am raising another issue posted on 20 June, which reads:

Heading to Melbourne on 6.28 a.m. train, warned at Shepparton station that heaters were not working but would in half an hour. Well that time has come and it is still quite cold — luckily it wasn't a minus morning. Why would anyone want to use the train if this is happening?

Some of the comments on the post read:

That happens all too frequently. I complained to V/Line once and they just gave me some bullshit PR statement.

And also:

They had a survey on the train about service. Pity it wasn't on the quality of the train.

According to the Bureau of Meteorology the minimum temperature in Shepparton on 20 June, which normally occurs around 7.00 a.m., was actually negative 0.6 degrees. Minister, while the Shepparton community waits four years for your promises on the never-never, what action are you taking to immediately improve the standard of passenger rail services between Shepparton and Melbourne?

**The PRESIDENT** — Within the remarks that Ms Lovell made, while she read from a letter that somebody else had written, it is still not admissible to actually use an unparliamentary term or to introduce an unparliamentary term in the house by way of camouflage on the basis that somebody else said it.

**Ms Lovell** — It was a quote.

**The PRESIDENT** — Well, it is not an acceptable quote, so I would ask that you withdraw that particular word that was in the submission.

**Ms Lovell** — On a point of order, President, that is not a word I would normally use in the Parliament, but I was quoting. But if it offends, I withdraw. I do not know how I withdraw on someone else's behalf.

**The PRESIDENT** — It should not have been introduced on someone else's behalf because it is not, as I said, a parliamentary term, and the standing orders prevent us from using those words. Again, one of the reasons why we do this is that somebody can come in and claim they have got a constituent's letter and include all sorts of remarks in that constituent's letter, and it might not even be a genuine letter. So we have got to be very careful.

### Western Metropolitan Region

**Mr FINN** (Western Metropolitan) (12:52) — My constituency question is to the Treasurer. Some 25 years ago the Kennett government gifted the site of the former Caloola centre on Jacksons Hill in Sunbury to Victoria University to operate the Sunbury campus of that university. During the years of the Brumby government Victoria University closed the campus but kept the land and buildings. Much to the consternation of the local community, the Andrews government recently announced it would buy the land and buildings back from Victoria University. That transaction, I believe, has now occurred, but the university is refusing to disclose the amount it received for something it originally got for nothing. As we are talking about taxpayers money, in the interests of transparency will the Treasurer disclose the amount paid by the government for the Jacksons Hill site?

**Ms Lovell** — On a point of order, President, I want to go back to the ruling that you just made. I do not wish to reflect on that ruling, but I believe that your statements reflected on me, that I might have been introducing something that was not actually a legitimate quote from a constituent. I have actually provided a screenshot of the Facebook page to Hansard that shows that that was a genuine quote from the constituent, not something that was introduced by me under the camouflage of saying that someone else said it, because there is actually a screenshot of the Facebook page that proves it was said.

**The PRESIDENT** — Ms Lovell, I accept that you introduced the matter in good faith and were not aware of, presumably, the requirement that the house does not expect unparliamentary language to be used in the

Parliament even if it is by way of quoting another document. I accept that in this case your matter was brought in good faith. When I went on to explain one of the difficulties, it was a more general comment that I was making from the chair. It was not specific to the item that you raised today.

### Western Victoria Region

**Mr MORRIS** (Western Victoria) (12:54) — My constituency question is for Minister for Public Transport. After two months of the worst on-time performance records ever in the history of the Ballarat line not only are we now seeing significant delays of over an hour on the Ballarat train service today but we are also seeing a minister who was somehow taken by surprise with the advent of winter occurring this year and the resultant sick train drivers causing massive delays. The Ballarat train service is in disarray; it is a shambles; and it is not serving the needs of our community.

So I ask: will the minister commit to an immediate investigation into why the Ballarat train service is in such disarray and commit to addressing the entirely unacceptable issues?

### Southern Metropolitan Region

**Ms FITZHERBERT** (Southern Metropolitan) (12:55) — My constituency question is for the Minister for Sport in the other place, and it relates to the State Sports Centre Trust and the buildings and organisations that it oversights. It is in response in part to the response I have received from the minister in relation to an adjournment matter that I raised on 22 May. In his response the minister said:

... whilst visitation is down at Melbourne Sports and Aquatic Centre, visitor numbers at State Netball and Hockey Centre and Lakeside Stadium have been steadily increasing each year.

That is not the case in terms of numbers that have been publicly reported prior to the year 2016–17, and it is also inconsistent with public comments that have been made about attendance figures. The question that I am asking is: will he please provide a breakdown of attendance figures at the State Sports Centre Trust venues for the financial year 2016–17 and after 30 June for the financial year 2017–18?

**Sitting suspended 12.57 p.m. until 2.04 p.m.**

## ELECTORAL LEGISLATION AMENDMENT BILL 2018

*Second reading*

**Debate resumed.**

**Mr RAMSAY** (Western Victoria) (14:05) — In summary, we have the Greens wallowing in their own hypocrisy as they want to suck the teat of the taxpayer's purse to run their political campaigns. Labor want to continue to use their campaigning on the back of union affiliation fees with no recourse. They also want to latch onto the teat of the taxpayers' purse. This morning Fiona Patten sold her soul for \$25 000 a vote.

But seriously, I look forward to the committee stage. This is an important bill, and I would like to congratulate Ryan Smith in the Assembly for the work he has done to try to have some constructive engagement with the government in respect of creating electoral reform that will satisfy the community's concern about the way that donations are applied to different political campaigns but also obviously about what is illustrated by the Labor Party. They do have a very close affinity with rorting the taxpayer's purse but also rorting in their political campaigns. If this bill is successful, my hope is that with the amendments that are being proposed the Labor Party will be held to account in respect of their campaign during the election process.

**Mrs PEULICH** (South Eastern Metropolitan) (14:06) — Could I first and foremost thank my parliamentary colleagues who have made contributions today. In particular I would like to single out Rachel Carling-Jenkins. I will have been in this place for 22 years in October, and I thought I had heard the best speech — for which I gave credit to Mr Elasmr some time ago — but could I say her sentiments and her mapping out of her philosophical position on this reform are to be commended. It was probably the best speech that I have heard in my 22 years of Parliament. I commend it to all members of Parliament to read and also to anyone, of course, who may be live streaming or reading through this very important debate. This is a debate that has now been taking place for some time and with some discussions as a result of the Victorian Electoral Matters Committee's recommendations, some of which certainly made sense and for which there may be bipartisan support.

The corrosive, sinister inclusions of some campaigns and donation reforms I believe would make someone like Mugabe or other Third World tin-pot dictators very proud. They would be envious of the ingenuity and the



creativity of this Labor Party and unfortunately some of the minor parties who have connived in order to not just rort Victorians but rort democracy. Could I say this debate is actually being followed extensively? I received an email from a young lawyer in Israel, who is Australian-born, and he says:

I hope all is well.

I write to you briefly regarding the proposed campaign finance reforms and donation reforms being proposed by the Victorian government.

In my view, there are very real questions to answer regarding the constitutionality of the proposed reforms. Whilst there is relatively little jurisprudence on the point within Australia, an implied freedom of political communication has long been held by the High Court to exist on a constitutional basis.

The proposed legislation may offend these principles by the nature and degree of restriction of political donations. However, it may also do so by the manner in which it captures political activity as political communication. For instance, in my initial consideration, it appears possible that a company which wishes to engage on a particular issue — say, a ...

particular —

tax — and makes use of its substantial resources could be caught in unusual ways. So too could smaller groups and individuals making use of social media.

What is also troubling is the drafting, which specifies the narrow definition of political expenditure. Political expenditure designed not to cause someone specifically to change their vote, but to change their opinion on a specific issue, would fall outside the scope of political expenditure. Thus an anti-WorkChoices campaign, say, a year before the election, or a campaign on ...

same-sex marriage —

or even a specific class of candidate ('vote conservatively, vote for family values') —

or vote for the Greens —

might be outside the scope.

In short, not good legislation which is troubling as to its validity.

He attaches some background. I think this will attract an increasing amount of commentary, and certainly I believe it will be tested at the highest levels.

But let me make some specific comments in relation to what is before us. Unfortunately I have only got 12 minutes. I will try and skim through this fairly quickly. The minor parties will support this legislation as a result, basically, of being notified by self-interest. It is corrosive of democracy, and as I think I said before,

many dictatorships would be proud of the machinery and the ingenuity of this legislation.

After Labor candidates were found to have ripped off Victorian taxpayers not just by the \$388 000 but by all of the benefits that accrued to that — and of course that is still being investigated in terms of the role of the lower house MPs who were party to it — it is clear that enforcement is needed to ensure that the rules that exist are rules that are observed and enforced. It does not matter what rules you come up with; there is the capacity for them to be rorted or breached, which indeed is the problem with the Labor Party because they have a sense of entitlement. They have rorting in their blood, and no matter what rules exist, they are there for the rorting.

It is regrettable that a party such as the Greens, who were very admirably led by Greg Barber, who was strong on process and had strong integrity, have now fallen into such strong collusion with the government that they would endorse something that is as corrupt and corrosive as this legislation.

Let me say that the amendments that Ms Patten has trumpeted as somehow improving the legislation are deplorable. They clearly show that Ms Patten is simply the centre-right way of harvesting votes for the Labor Party. To suggest that any unsuccessful candidate should be able to receive \$25 000 or \$1 per vote, depending on which is higher, and that this is something that Victorians would embrace is absolute madness. How many candidates do we need? How many political parties are we going to have? This is going to create chaos, and all that Ms Patten is able to bring to the table is to say, 'Oh, we'll get a review of campaign expenditure after the next election'. Well, Ms Patten, you will not be here after the next state election. Can I say, you have flipped over on this legislation and you are hiding from the commentators who are there seeking your opinion and your justification for supporting this bad legislation. I think this shows you to be the person that you truly are.

The red shirt rorts are a case in point. This is a way for the government to try and get themselves off the hook — for them to say that they have done something about it — but the architects of this biggest rort in Victoria's history remain unpunished. No-one has been sacked. Mr Lenders was involved, Mr Jennings was involved and the now Premier, Daniel Andrews, was involved, and no-one has been punished. It does not matter what rules you have; if you do not punish the wrongdoers, you set a tone and a tenor. You set your own standards, and the standards that have been set by

this government have been to at least turn a blind eye to, if not to benefit from, the rorts.

Let me highlight Daniel Andrews and Labor's multimillion-dollar red shirt rort and some of the benefits that accrued as a result of that. We are yet to get to the bottom of what the total slug is on the Victorian taxpayer, but it is likely to be somewhere in the vicinity of \$50 million or more, and this legislation may indeed, especially with Ms Patten's amendments, creep up to \$75 million. Who would know? Do you think that Victorians are going to embrace having to fund candidates that they do not support and are in many instances not genuine and not authentic, and that these candidates are going to be rewarded out of Victorians' pockets without them agreeing to it, as opposed to just terminating their ability to put their money where their mouth is through donations? Not on your nelly. This illusion, this fancy, that one party is more democratic and more right — that it has greater integrity than the other — is just absolute madness, and it is certainly not consistent with our democratic principles.

Daniel Andrews again backs Peter Marshall and the firefighters union against 60 000 volunteer firefighters. Why? Because the unions are the bosses. They have 60 per cent of the ALP's preselection rights. Whenever any members of the ALP are elected, they pledge their allegiance to the union movement, not to those who elected them to serve.

Trades Hall is going to be the sugar daddy. It is going to be the designated entity through which all sorts of funds will be able to be pumped, including foreign donations and illegal funds. It will be used as a laundry, and indeed it may well be immune from IBAC. The more sinister implication of this legislation is how sugar daddies may be immune from IBAC investigations, because they will be a legitimate, legislated sugar daddy or entity for the party, as Trades Hall will be for the Labor Party.

Daniel Andrews and Labor continue to punish anyone who is of course not in their political camp — a \$10 million grant gifted to Labor's union mates at Trades Hall. The Royal Commission into Trade Union Governance and Corruption unearthed further corruption between unions and big business in order to do in the workers, who may be entitled to legitimate increases — but no, what was most important was that the money went into the coffers of the ALP and Trades Hall, because they are their bosses. The more members they have, the more they can preselect, the more advocates they can have in this Parliament. If that is not corruption, then I do not know what is. Telmo

Languiller, Don Nardella and Mr Khalil Eideh — just examples of that sense of entitlement and that you can use the public purse as your personal piggy bank. I will not mention Mr Steve Herbert, because despite having his two dogs chauffeured around the state, he at least had the dignity to fall on his own sword and to resign.

The purposes of this bill are obviously electoral reform, campaign finance reform and, finally, formalising the third-party campaigners. In relation to the electoral reform it is, as I mentioned before, as a result of the inquiry that was undertaken by the Electoral Matters Committee on which both Mr Somyurek and I served, as we did on the preceding committee, so we are certainly well aware of the issues.

**Mr Finn** — It was a very good committee.

**Mrs PEULICH** — Yes, it was. And Mr Finn. Exactly. The bill makes a number of constructive changes. The changes to postal vote applications, I think, are disingenuous, but nonetheless there are many more sinister elements of this bill than that.

The passage of this bill means that each political candidate and party will be allowed one sign within 100 metres of any given polling place. It is a bit like Ms Patten's safe buffer zones — neither here nor there. The prohibition of signage does not give an advantage to established parties. They would actually like to do volunteers out of handing out how-to-vote cards, especially the minor parties, because they want to equalise the resources. They do not have the support, they do not have the manpower on the ground and they want to use legislation in order to achieve that. Well, get out there and win the hearts and minds of voters.

I will skip through all of that, and I will move on to campaign finance reform. Two key points: nominated entities and individual candidates. The stated intention of the bill is to instil more transparency in our political donations system; however, the creation and application of nominated entities invites large-scale rorting to hide who influences campaigns. Each political party gets to nominate one entity which is exempt from the \$4000 donation cap established by this bill. A nominated entity is required to support only one party which has appointed it as a nominated entity. The nominated entities cannot have any voting power over the party — well, unfortunately the union does — but they must be able to be voted in or controlled by the party. I am not sure how the relationship between the union movement and the Labor Party will be resolved. I do not believe it complies. Unlike normal donors, unlimited funds can be transferred between the party and the nominated entity. Labor has announced that

their nominated entity will be Trades Hall, which in the 2014 election had Labor MPs' electorate staff members dress up as firefighters to deceive voters at polling places. Who would ever trust them?

Under this bill the same practices will continue unfettered. This encourages further amalgamation of unions so they can filter unlimited amounts of money to the Labor Party. This is Labor attempting to protect their donor base while crippling other parties' much more diverse range of donors. The nominated entities also undermine the common goal to prevent foreign money from pouring into elections, and again, I want to know whether this would be immune from IBAC investigations.

Clause 41 of the bill establishes that it is unlawful for a donor to make a political donation to a registered political party if they are not an Australian resident or citizen or they are without a valid Australian business number. However, foreign entities will still be able to bribe and influence nominated entities through donations, which will in turn have a corrupting influence on political parties and candidates. Further, any foreign person, government or company may still make a donation through a company with an ABN. This bill is not a catch-all solution to prevent foreign influence over Victorian elections. The proposed ban on foreign political donations is therefore ineffective and even more easily avoided it seems, because now it has legislative protection by lawful and legitimate means.

Capping donations at \$4000 per year is beneficial in the legislative effort to level the playing field between candidates and state elections, but without eliminating the loopholes through which large donors can circumvent the spending cap the legislation will not achieve its intended purpose, which I think is the case and the intent.

This bill will allow Victorians to see who is making donations of over \$1000 to political candidates and parties. That may be a good step forward in terms of transparency. I do believe that that threshold is too low, but again I am concerned about the accessibility of disclosure information and the operations of sugar daddies. I am happy to — I think we are all happy to — have a look at reform of campaign finances, but all candidates and parties should be playing by the same rules, and the creation of nominated entities and the loopholes in foreign donation clauses do not level the playing field entirely.

This legislation will also benefit — and I think this is the most sinister thing — the wealthiest members of

our community, because they will be able to donate to their own campaigns in an unfettered way without a cap. There is no cap for people who have money. They will be able to come in, bankroll their own campaigns and be in like Flynn. Under the legislation the candidate can spend any sum on their campaign to be elected, no limits, and under the commonwealth tax act it is all 100 per cent tax-deductible. Encouraging more individual candidates to contribute to their own campaigns may only be a part of the equation in making campaigns more expensive, unfortunately.

Time is fast running out. I have a wad of other points that I would like to raise. I look forward to a detailed investigation of some of these in the committee stage. I just want to conclude by saying that the campaign finance reform to be enacted by this legislation is clearly skewed to fill Labor's coffers with union money. The legislation will not make elections more equitable with these spending restrictions and disclosure requirements when so many loopholes have been built in to benefit the likes of Trades Hall. It also allows sugar daddies to be used as a campaign donation laundering service. The prospect of foreign money pouring into our state elections continues. The rorts will continue to occur if this is the standard that is allowed, as has been the case under Daniel Andrews, who must have been involved as the architect of these rorts, along with his allies Mr Lenders and Mr Jennings, leading this legislation unopposed. It is an appalling piece of legislation.

**Ms PATTEN** (Northern Metropolitan) (14:22) — I am very pleased to stand and speak on the Electoral Legislation Amendment Bill 2018. I have to say that at the beginning of this week I was not going to be saying what I am saying now. At the beginning of this week I approached this with quite some ambivalence. This bill will deliver some important changes and transparency for our Parliament. While it delivers on a number of the recommendations from the Electoral Matters Committee *Inquiry into the Conduct of the 2014 Victorian State Election*, some of those recommendations were repeats of the recommendations from the Electoral Matters Committee report on the 2010 election. A number of those reforms have been included in this bill, and I am pleased to see that.

We were not spoken to about this bill. The coalition had been very supportive of the bill. Mr Smith spoke in glowing terms about this legislation in the other house. He said he had been working on it and discussing it for six months. He thought it was important reform and that going forward this was what was needed. We needed to create greater transparency. We have to recognise that democracy actually does cost and that

the public has lost its trust in us. I have said that a lot of times in here. The public has lost its trust in us. I think I have actually managed to bring some integrity and I think the crossbench has tried to bring some integrity to this.

*Honourable members interjecting.*

**Ms PATTEN** — Because the bill that you were supporting was just entrenching the privilege of the major parties, to the extent that you would have killed off the minor and emerging parties with this legislation — and you were very happy to support it then. We know that in 2015, 19 per cent of our population had some trust in political parties — 19 per cent had some, 81 per cent had no trust in political parties. Voters in regional and rural areas were particularly disillusioned. More than one in four Australians now vote for someone other than the Liberals, The Nationals or the ALP.

**Mrs Peulich** interjected.

**Ms PATTEN** — Mrs Peulich, just to take up that interjection, I feel like you are the shadow minister for the Reason party. You constantly seem to want to talk about my party and my vote, and frankly I do not know whether to feel slightly chuffed about it —

*Honourable members interjecting.*

**Ms PATTEN** — I would not be so disrespectful —

*Honourable members interjecting.*

**Ms PATTEN** — Mrs Peulich, I did not interrupt you during your contribution. I would appreciate the same respect shown to me. As I was saying, more than one in four Australians now vote for someone other than the Liberals, Nationals, the ALP or the Greens in the Senate and the Legislative Council, and this is explained by the falling trust.

We saw that absolute breach of trust on Good Friday, and from the other side we have seen the breach of trust in what was called out as rorting — and that is exactly what people expect from us. They think that we get dodgy money from corporations or dodgy money from unions and that we wash and launder this money through our processes. Then, to add insult to that, we pile political propaganda into mailboxes, onto Facebook pages and onto billboards around their highways and around their streets.

People have lost trust in us. The Grattan Institute has articulated this, saying that improving political institutions by reforming political donations, for

example, could help reassure the public that the system may be working for them, not for the politicians. We see this so often — policy over people, politics over policy. This bill may give Victorians some reassurance that we are principally removing the ability of big donors to buy influence. Despite what the coalition has been saying today, it will also reduce the influence of unions over Labor Party members.

These things, I trust, will enhance the integrity of the Victorian electoral system in the long term. But, as I said, I could not have supported this bill in its original form. The bill would have killed off minor parties by denying them private funding and not balancing this with any public funding. The same public funding would have entrenched the Liberals, The Nationals, the ALP and the Greens, who were all complicit in the formation of the original bill.

Despite what Mr Rich-Phillips has said on the floor of this chamber, it certainly seems that just a couple of weeks ago this bill had the full support of the coalition and that there had been considerable conversations with the coalition. The coalition accepted that we needed to change our donations process and that the public thought that donations were an issue. To paraphrase something that was said in the other house, they agreed that this was complex and vexed and that we had to do something. They were very open to this piece of legislation.

I note that they mentioned they might put some amendments up, but I have seen no amendments from the coalition. I have actually been trying to make this bill into something that can work — something that can work for small parties, something that can work for emerging parties and I think, at the end, something that can work for all Australians. I think that minor parties play a major role in scrutinising government, particularly in this house. We also play a role in being able to initiate policies and initiate legislation. I would certainly say that small parties have played a role, including me, on voluntary assisted dying, supervised injecting centres in Richmond, ridesharing reform and safe access zones around clinics.

When I look at the bill as it is presented today, with the amendments that have been negotiated over the last few days, I am pleased. I think what I am most pleased about is that there will be a future cap to campaign expenditure that will be implemented by an independent panel review following the 2022 election. This will be legislated. I think this is absolutely crucial; it is something that people have been calling for for decades. I would have liked it to happen quicker, but I

respect that these things do take time. The amount of time frustrates me.

I would just like to quote from an article by Professor Joo-Cheong Tham, who is a professor at the Melbourne Law School:

The absence of limits on election campaign spending in the Victorian legislation risks placing pressure on the 'political donation' caps, as parties and candidates seek to meet unabated demand for campaign funds. If the bill had provided for limits on spending, they may have curbed the impact of the uneven flow of private and public funds that will result from its enactment — the limits could have acted as a barrier to unequal income translating into unequal spending.

That is exactly right, and we will see the beginnings of that with this legislation. There will be an amendment to ensure that election expenditure is capped. We must do that. Prior to the bill going through, the public has been funding our elections. If we are going to expect them to fund an election, I think we should expect to cap that expenditure, and I think the public expects us to cap that expenditure.

I am very pleased that I have been able to get a move towards expenditure capping, as we see in many other countries and in many other jurisdictions around Australia. Canada, the UK, New Zealand, France, South Australia and the ACT have all introduced capping so that public funding does not keep escalating and one year we are asking for \$3 and the next year we are asking for \$5, \$7 and then \$9. It would continue to grow, and we would continue to provide the public with possibly unwarranted propaganda around election time.

I am also pleased to have secured funding for emerging political parties. This is something that I was very concerned about with the legislation as it stood at the beginning of the week. Emerging parties that do not get a candidate elected will still be eligible for some funding, and I think that is really important. They will be limited, and they will be following the same donation rules as parties that have elected members. In previous iterations of the bill they would not have received any funding whatsoever. This gives a small amount of administrative funding for new and emerging parties.

It is wonderful for our democracy. As I said, more and more people are voting for small parties, and I do not want to see wiped out those parties or their ability to establish and have their point of view heard, be on the poll and in the election and taking part in presenting the views of the community. Independent and small parties, in my view, are integral to a democracy. To provide some funding for those emerging parties is really

important, and I am very pleased to have been able to achieve that.

The third amendment I have been able to achieve responds to the continuous calls from Vision Australia, who have been asking for electronic voting for vision-impaired citizens of Victoria. It gave very good evidence to the Electoral Matters Committee when we looked at electronic voting. It has written, no doubt, to all of us about the need for electronic voting so vision-impaired people too can have a private vote — so that they too can have the right to privacy that every other citizen has. I will quote from one of the letters I received:

I am a constituent who through disability with low vision is denied the basic human right to be able to vote independently and in secret. This is unfair. My loss of vision has robbed me of my right to participate in good citizenship.

Please help me and others afflicted with blindness and low vision to remain engaged with the community and to exercise the right to vote independently by ensuring remote electronic voting is legislated as changes are made to the Electoral Legislative Amendment Bill 2018.

A person with low vision sets up their computer, sets up their phone and sets up their iPad to work for them so they can effectively communicate well in this visioned world. The bill now will create a review to ensure that, like Western Australia and New South Wales, those with low vision will be able to vote electronically and remotely.

I have been hugely supportive of the changes that will stop our voting centres from being drowned in party bunting. This makes me very pleased. Maybe this is something that is experienced more in the inner city than in regional areas, but so many voters complain about having to run the gauntlet as they enter a polling station, being thrashed by people and having things handed to them, so I think expanding —

**Mr Finn** interjected.

**Ms PATTEN** — That is exactly what this bill does. It does create a bit of an exclusion zone. It gives voters 6 metres without having to listen to Mr Finn while contemplating who they may vote for. The 6-metre clearway to give our voters some peace when they go into the booth I think is needed, is warranted and will be very welcomed. The removal of the large majority of the bunting that pollutes our polling booths also will be welcomed.

As we enter this 2018 election campaign period integrity in politics will remain Reason's central policy platform and will continue to drive the changes in this area. Our agenda is: new fiduciary-type duties for

politicians to only act in the interests of the community; open, publicly available ministerial diaries; an end to parliamentary entitlements to be replaced with enforceable office expense rules; and preventing retiring MPs from working as powerful lobbyists around this place.

The public deserves a political system where their representatives act in good faith and with integrity. The self-interest of our major political parties has resulted in significant public distrust, which is something that I will try to rectify. With our amendments, I think this bill is a better bill; this bill will lead to the capping of election spending, which will be welcomed by our community. This bill will lead to ensuring that the emerging small parties that are finding their way in the system will be supported through this system and through this legislation. On that, I commend the bill to the house.

**Mr FINN** (Western Metropolitan) (14:38) — I rise to speak on the Electoral Legislation Amendment Bill 2018, and in doing so I am going to do something that I have not done very often in this house; I am going to quote Paul Keating, who in turn quoted Jack Lang when he said:

In the race of life, always back self-interest — at least you know it's trying.

and in fact that is very true indeed in this particular situation.

**Mr Dalidakis** interjected.

**Mr FINN** — Well, don't you quote Sir Les Patterson. The fact of the matter is that this legislation is all about self-interest. Perhaps to add to Jack Lang's quote, I could throw in one of my own. I may have pinched this from somebody else, but I am not entirely sure. I will claim it until such time as somebody else does. That is: never get between a socialist and a bucket of taxpayers money. That is the fact of this legislation, because this legislation is a grab by a socialist government for taxpayers money. There is not a pocket in this state that Daniel Andrews has not had his hand in, and he wants to find some more. This legislation will help him do that. That, to my way of thinking, is just appalling.

Ms Patten spoke about her role in returning integrity to politics in our state. She spoke about how she had uplifted us all.

**Mrs Peulich** interjected.

**Mr FINN** — Oh, we — sorry; the royal plural. She spoke about how she had uplifted us all. I have to say that, strangely, when listening to her I did not feel all that uplifted at all, not even slightly, because it was only yesterday, as I recall, that Ms Patten was absolutely opposed to the bill. It was only yesterday, I am pretty sure, but today she comes in here with her bag of money and she says, 'No, I support the legislation'. Isn't it amazing what a bag of money from Daniel Andrews can do! Isn't it amazing what a bag of money from Daniel Andrews can do to help somebody change their mind. So for somebody who has done such an extraordinary backflip with the assistance of just a little bit of the folding stuff to come in here and talk about integrity is stretching incredulity just a tad. Some might even say it is gilding the lily.

**Ms Patten** — On a point of order, Acting President, Mr Finn is entirely misrepresenting my contribution. The only issues I mentioned in my contribution that I negotiated was a cap on spending and money for unelected parties.

**Mr Finn** interjected.

**The ACTING PRESIDENT (Ms Dunn)** — Mr Finn, please hold on for one moment. Can I just remind members that points of order should be heard in silence. It is very hard to make a ruling when I cannot even hear what the point of order is. On this occasion I can say from what I did hear that it is not a point of order. Mr Finn, please continue.

**Mr FINN** — Thank you, Acting President. Unlike some, who this legislation will try to shut down, I will not be shut down. I will continue. The fact of the matter is that everything the Andrews government do is about them. Everything the Andrews government do is about getting themselves re-elected. Never have we seen in the history of this state a government that is so self-centred. We saw it even before it was elected. It came up with a scheme to scam the taxpayers of Victoria with a variety of its staff wearing red shirts. Then, when it was caught out, it spent \$1 million or more going to the High Court to try and cover its tracks, trying to stop the Ombudsman — the independent umpire — from investigating what was an outrage against democracy and indeed against the Victorian taxpayer. That is the sort of government that we have pushing this legislation through the Parliament today.

Give me a break. Does Daniel Andrews really think the people of Victoria are that stupid, after seeing him in action for three and a half years? Does he think that people are going to swallow the line that he is pushing right now? Not on your Nellie! It is a disgrace. At a

time when pensioners are sitting freezing in their homes because they cannot afford heating, here we have the Premier of Victoria reaching into their pockets and taking money out to pay for his election campaign. What a despicable government we have in this state. Never, as I said, have we ever seen a government that has been so self-centred. So much difficulty, so many hard times, so many families struggling, and there is Daniel Andrews ripping them off to pay for his election campaign. That is despicable.

When I think of my own electorate and what needs to be spent, you just have to look at the Footscray Hospital, which should have been ripped down and rebuilt years ago. That is not going to happen. No, that will not happen, but Daniel Andrews will put his hand into the pockets of the people of Footscray to pay for his election campaign — ‘You can’t have your hospital, but I’m going to take your money to pay for my election campaign’. That is something that is just not going to wash. When I look at autistic education in this state, it desperately needs money. The poor relation of education in this state desperately needs every dollar it can get. ‘Well’, the government says, ‘no, you can’t have an increase, you can’t have improved autistic education; however, we’re going to take that money and we are going to spend it getting re-elected’.

What a shameful, disgusting, despicable government we have in this state. If this Premier thinks that people are going to accept that, he is in for a hell of a shock. If he thinks that people are going to accept that, he is in denial even more than I thought. He is out of touch so much more than I ever thought possible. This bloke has lost it. If he honestly thinks that people are going to think that putting money into his campaign is more important than putting money into health or education or roads, this bloke has lost it completely.

We heard earlier this afternoon from Dr Ratnam, and what an entertaining contribution that was — an enlightening contribution, in fact. I was slightly concerned at one stage because I was worried that Dr Ratnam’s halo may slip and strangle her, because she is clearly a pure individual in thought and action. She is perfect in every way in terms of the political system, and there is no way that the Greens would be involved in any shenanigans or the taking of dirty money, but of course as far as the Greens are concerned all money is dirty. Only the rich actually say that; you never hear those who do not have money say that all money is dirty. They said to us that there is no faith or there is little faith in the system. Well, it is not surprising when you have people coming in here wanting to spend money, millions and millions and millions of dollars, on election campaigns when it

should be going to health and education and roads and so many other areas that desperately need it. It is not surprising that people throw their hands in the air and say, ‘We cannot take this crowd anymore’.

Of course the fact of the matter is the Greens support this legislation because they have been bought body and soul by the government. They are going to be big winners. For the Greens every election night will be a Tattsлото win. Is it any wonder they so enthusiastically support this legislation? Their coalition partners, the ALP, have ensured that they will be looked after, and looked after they most certainly will be. But can I just say that bringing the global warming scam into it did slightly confuse me. Dr Ratnam did mention global warming a couple of times. I am not entirely sure what that had to do with anything apart from the fact that global warming is a scam and this bill is a scam, so that might be the connection we are looking at. That might be the connection we have discovered. Perhaps indeed we should be thanking Dr Ratnam for bringing that to our attention.

But I have some advice for the Greens, and it would be well worth listening to my advice on this and indeed heeding it. My advice to the Greens is this: do not trust Labor. They do not have your interests at heart; they only have their own interests at heart. If you think that because you support them today they are going to go easy on you in Northcote or Richmond or Melbourne or Brunswick or wherever you might be out there fighting in mortal combat, that is not going to happen. They will do you in as quick as look at you. Without a worry in the world they will do you in. Do not trust Labor. Do not think because you are all cosy in here and the coalition is working well here at Spring Street that out in the field they will not knife you — and let me tell you, it will not be in the back; they will be very happy to knife you in the front. That is just the Labor way.

This bill does have some good parts. As a former chair of the Electoral Matters Committee I have supported some of this bill in the past and indeed I support some of it now. The majority rules it out, unfortunately, but there are some parts that are quite commendable. But the bottom line is that this bill overwhelmingly is anti-freedom, as we would expect from a government that is anti-freedom, from the Greens coalition partners that are anti-freedom and from Ms Patten, who has displayed again and again that she is anti-freedom.

This bill slaps democracy in the face. It tells individuals and it tells corporate Australia that they cannot contribute to election campaigns and they cannot have a say in who they support in an election campaign, but of course the rules do not apply to Lygon Street — the

rules do not apply to Trades Hall — and the rules do not apply to the United Firefighters Union (UFU), for example. Peter Marshall can kick in as much as he likes to Daniel Andrews's campaign, and I am putting a lot of money down that that is exactly what he will do.

There is no way that Daniel Andrews will ever introduce legislation to stop the unions bankrolling the Labor Party, and that is exactly what they are going to do. Whether it be John Setka and the CFMMEU or whether it be Peter Marshall and the UFU, wherever it may be and whoever it may be, that money will just keep rolling in to the Labor Party coffers, and they are very, very happy to accept it. That money is a lot dirtier, given the events of the last three and a half years in this state, than anything we will ever see from the corporate sector.

This bill is wrong. It is bad legislation, and it is something that this house should oppose. I urge every member to think very, very carefully, to consider their consciences, before casting a vote on this bill.

**Mr ONDARCHIE** (Northern Metropolitan) (14:54) — I wish to speak to this very important discussion today around electoral reform, because one thing becomes very clear in this: when it comes to the ALP, they have been spending all their lives living in a gangsters paradise; there is no doubt about that. They love spending taxpayers money. They love wasting money.

Whether it be dogs in limousines being transported from Parkdale and Mentone up to Trentham or whether it be to use their parliamentary limousine driver to drive down and clean up the dogs and take them for a walk while they sit in Parliament, unashamedly, they spend taxpayers money. Whether it be claiming living away from home allowances when they live miles and miles away from their electorate, supposedly living in caravans, with people or who knows what they are doing, they have no shame in spending people's money. Whether it be doing secret deals to increase tolls across Melbourne to fund a flawed project in the West Gate tunnel, they do not mind spending other people's money.

Whether it be claiming no new taxes will be introduced to Victoria, as they did the night before the last state election, and then introducing 12 new taxes in Victoria; whether it be telling people that they are going to remove level crossings and then putting railway lines above their homes, in sky rail, and not telling them — not only in the electorates that have become the source of lots and lots of publicity, but also in my electorate, where people thought they were going to get a new

train line at grade or below grade level and then suddenly found a big concrete bridge over their kitchen window, and they were never told — this is a government that spends its time misleading people.

These are the people who said that when it comes to the east–west link the contract is not worth the paper it is written on. It was also this government that said it would not cost a cent to cancel it, and they were right: it did not cost a cent to cancel the east–west link contract — it cost \$1.4 billion to cancel the east–west link contract, and they are not ashamed about that at all. Whether it be getting a triangle, turning it upside down, putting the word 'Vic' in the middle and spending \$20 million to create that logo, they do not care because it is not their money. Whether it be stealing a media person's dictaphone and not ever telling anybody about it — everybody went into hiding, saying it was not their fault — this government have no shame.

Then when it comes to the rorts, the rorts that other people have touched on, that is what I want to spend a bit of time talking about today. Their strategy, now that they have been caught, is not to come clean and to act honourably; it is to change the regulations so that they can steal the money legally. That is what this bill is intended to do. This all comes about under their feigned position that they are trying to clean up electoral matters in this state, when really this is all about them getting caught rorting \$388 000 from the taxpayer through their electorate offices to run the red shirts campaign, to supposedly put five people in uniform on polling booths to try and con the electors.

They said they acted in good faith — no, they did not; they knew exactly what they were doing. They said they were acting honourably — no, they were not; they knew exactly what they were doing. They said that they had paid back the money and that everything must be okay now. That is a bit like saying you are going to pay \$1 million to steal the biggest conference out of New South Wales, then standing on the steps of the Sydney town hall to say, 'I've stolen it, Victoria', and then it gets held in Randwick.

**Mr Dalidakis** interjected.

**Mr ONDARCHIE** — Pumbaa is a fraud; we know that. Then they will claim they want to talk about Good Friday. Never in the Westminster system, never has a Westminster Parliament sat on Good Friday. In fact members opposite texted me — I am happy to table it — to say, 'I agree with you. We shouldn't sit on Good Friday', and then they voted in favour of it. Where is Timon? Pumbaa is away. Where is Timon?



He is not here. I tell you what, if you want to talk about breaking conventions —

**Mr Dalidakis** interjected.

**Mr ONDARCHIE** — And then they come in here and quote the New Testament.

**The ACTING PRESIDENT (Ms Dunn)** — Order!

**Mr Dalidakis** interjected.

**The ACTING PRESIDENT (Ms Dunn)** — Order! Minister Dalidakis, I have called you to order. The member does have a right to make a contribution.

**Mr Dalidakis** — I think he has the right not to lie, Acting President.

**Mr ONDARCHIE** — I seek that withdrawn, Acting President.

**Mr Dalidakis** interjected.

**The ACTING PRESIDENT (Ms Dunn)** — Order! Minister Dalidakis, I ask you to withdraw without qualification, please.

**Mr Dalidakis** — On a point of order, Acting President, I need to understand what I did that was unparliamentary. I said he can choose not to lie.

**The ACTING PRESIDENT (Ms Dunn)** — Minister Dalidakis, I have asked you to withdraw without qualification.

**Mr Dalidakis** — So withdrawn. Let us hope Liberal Party members do not lie. Thank you very much.

**Mr ONDARCHIE** — Let us go through the list of people that were involved in rorting moneys from the taxpayer. Elizabeth Beattie, the former member for Yuroke, used taxpayers money that was taken away from the state seat of Yuroke to support campaigns in Sunbury and Macedon. Candy Broad, a former member for Northern Victoria Region, used money that was assigned to Northern Victoria Region and her own electorate office to support campaigns in Bendigo East and Yan Yean. Anthony Carbines, the member for Ivanhoe, used campaign money to organise a field officer to work in Ivanhoe. Lily D'Ambrosio, the member for Mill Park, used money assigned for the state seat of Mill Park for the campaign in the seat of Yan Yean. Joanne Duncan, the then retiring member for Macedon, used her own electorate office staff money for campaigning in Macedon. Nazih Elasmara, a member for Northern Metropolitan Region —

**Mr Dalidakis** — On a point of order, Acting President, this has been a broad-ranging debate, but this has absolutely nothing to do with the legislation before us. He is talking about matters that in fact the Privileges Committee are currently reviewing. It has got nothing to do with the legislation we are debating — no relevance whatsoever.

**The ACTING PRESIDENT (Mr Melhem)** — Thank you, Mr Dalidakis. There is no point of order.

**Mr ONDARCHIE** — John Eren, the member for Lara, used the money assigned to his electorate office, took money out of the seat of Lara and used it for campaigning in Bellarine. Joe Helper, the then member for Ripon, used money that was assigned for the state seat of Ripon through his electorate office for campaigning in Wendouree. The Leader of the Government in the upper house, a member for South Eastern Metropolitan Region, Gavin Jennings, used money assigned to his electorate office for campaigning in Carrum. Shaun Leane, a member for Eastern Metropolitan Region, used money that was assigned to his own electorate office for campaigning in Ringwood. John Lenders, the then leader, has probably been hung out to dry by members of Parliament, because they are all shifting the blame to him when they were complicit in this whole deal.

**Mr Davis** — No, but he was up to his neck in it.

**Mr ONDARCHIE** — There is no doubt about that, Mr Davis. He was up to his neck in it, but they knew what they were doing. When they got caught they said, 'It wasn't us; it was all Mr Lenders'. Well, they were complicit in this whole deal. At no point did they put their hands in their pockets — 'Hey, John. Hang on a minute. Are we doing the right thing here or not?'. They did not, because they knew that they were rorting taxpayers money. He used money assigned to his electorate office for Southern Metropolitan Region to support campaigns in Bentleigh and in Prahran.

Margaret Lewis, who was for a short period of time a member for Northern Victoria Region in this upper house, used money assigned for her electorate office to campaign in Bendigo East and the state seat of Yan Yean. Cesar Melhem, a member for Western Metropolitan Region, allegedly signed time sheets for electorate officers in his own office to support the state seat campaign in the seat of Ivanhoe.

**The ACTING PRESIDENT (Mr Melhem)** — Mr Ondarchie, I have been very patient and I have actually overruled Mr Dalidakis on his point of order. I would like you to go back to the bill. I remind you the

Ombudsman had no finding against me. You have been reflecting on members, so I ask you to go back to the bill.

**Mr ONDARCHIE** — On a point of order on your ruling, Chair, I was not reflecting on the Chair at any time. I was talking about members within this — as it is, use of electoral funding and use of funding that is —

**The ACTING PRESIDENT (Mr Melhem)** — I ask members when they are quoting matters to actually truthfully reflect what they are quoting and what they are looking at, not to keep making things up and reflecting on people, so I ask you to go back to the bill. The same comment goes back to other members you mention in your contribution. I ask you to go back and concentrate on the bill.

**Mr ONDARCHIE** — Acting Chair, with respect, this has been a wideranging debate that others have touched on in this place. If we are going to go down that path, then I could respectfully request you seek the guidance of the President on this, because there are matters to be discussed here.

**The ACTING PRESIDENT (Mr Melhem)** — Mr Ondarchie, I am just basically talking about relevance. Can you go back to the bill? That is what I am asking. You have had a long go.

**Mr ONDARCHIE** — Actually, Chair, with respect, you talked about yourself in your response to me.

**The ACTING PRESIDENT (Mr Melhem)** — Well, I did, because —

**Mr ONDARCHIE** — You are either talking about the range of the debate or you are talking about yourself here.

**The ACTING PRESIDENT (Mr Melhem)** — You have got 4½ minutes.

**Mr ONDARCHIE** — Well, what has happened is that the hypocrisy of this government is breathtaking. They spent time in the last government talking about the activities of the then member for Frankston, they talked about integrity and then they used almost \$400 000 of taxpayers funds, as Deborah Glass, the Ombudsman, found, and that is whose report I am quoting from. I am not making it up. I am reading from the Ombudsman's report. If at any time members here want to reflect on the Ombudsman and say that was wrong, well, that is their business to do that.

This report implicates 21 Labor MPs. It also shows, as I said, the breathtaking hypocrisy of the Australian Labor

Party that came into office rallying about the very thing it now stands exposed for. Now that they are in power, they have been caught in their very first term on a suite of rotting scandals that have happened under Daniel Andrews's watch, which, compared to his predecessors, makes their effort minuscule.

I will touch on some of these things, such as a minister chauffeuring dogs around in his car, a Speaker using his second residence allowance to live near the beach and a Deputy Speaker doing exactly the same thing. And what happens in the Legislative Assembly? They still take those tainted votes. Despite when in opposition instructing Premier Napthine that he should never take the then member for Frankston's tainted votes, they are happy to take them. They are happy to take them over there and happy to take them here. This is a government that has spent its life living in a gangsters paradise.

This legislation is designed to stomp up the financial wellbeing of the Australian Labor Party, and that is about it. They are not interested in Victoria and they are not interested in Victorian taxpayers, because they have a litany of a record here of spending taxpayers money, and they do not care about the result.

If we boil all this down, the scheme that the Ombudsman has reported on here was about paying people a couple of days a week as electorate officers when they were simply out doing political campaigning. They said, 'Oh, well, we paid back the money. Everything must be okay now'. There would be prisons full of criminals who will say now, 'I'll be remorseful. If we say we acted in good faith, can we pay back the money? Can you let us out?'. I have to say that under Ms Tierney's watch they are probably getting out anyway.

This legislation before us today is full of rorts and holes because it is designed to look after the Australian Labor Party. I am cognisant that I do not have much time left to speak but I will do a bit more in the committee stage of the bill, you can be sure about that.

Let me say something to Ms Patten, who has made a monumental shift in the last 48 hours in her position on this bill. She has said to us today respectfully in the house that after the election, after the cash is in the bag, then we should do a review. I would say to Ms Patten, before you vote on this bill I ask you this: if the nature of the review is that important, let us do it now. Let us review the whole system now before we pass the bill. To say, 'Let's take the cash, let's put it in the bank and then we'll do a check afterwards' makes her position seem a bit innocuous. So I say to Ms Patten and all those who are in doubt right at this moment: if you are

not sure about this bill, let us stop. Let us stop, let us review. We can refer this off to a committee to go through this and check it all out. We could review this and then when we are satisfied that it has the integrity we want it to have, we could pass this bill.

I oppose this bill as it stands because it is simply designed to fill up the ALP's coffers and nothing more. This is a rotting, insipid, cheating, lying government. This bill helps them to do more of the same. The Liberal-Nationals will oppose it.

**Ms FITZHERBERT** (Southern Metropolitan) (15:09) — I am pleased to be able to rise to speak on the Electoral Legislation Amendment Bill 2018. The bill has of course three distinct areas: how elections will be run from the next state election in November, donation reform and staffing arrangements for non-government parties going forward, as well as a range of other things that appear to have sprung up from recent amendments. It does appear to be quite a movable feast.

That in fact is one reason the coalition's position was to reserve its position in the upper house, because it was clear to us that this was a bill that could not be accepted as frozen or in one position that was not going to move. It has moved a lot, and I suspect it may move some more. I strongly supported reserving our position in the upper house so that we could have a proper look at was going to be —

**Mr Dalidakis** — You are the cleverest one yet. You are the cleverest one on that side yet.

**Ms FITZHERBERT** — Well, I am telling the truth. Don't try to flatter me, Mr Dalidakis.

**Mr Dalidakis** — I'm not flattering you. I'm just calling it as it is, Ms Fitzherbert.

**Ms FITZHERBERT** — It is simply flattery. I am speaking the truth because that was our position and that was one of the reasons. We will continue to watch and see how it changes going further, if indeed it does.

The bill is of course influenced by the work of the Electoral Matters Committee when it looked at the 2014 state election, but it is also influenced by the Labor Party's desire to fund itself more money and protect trade unions as a cash cow and also its desire to disadvantage other political parties.

Right now Victoria has campaign funding, but it does not have campaign limits. I will confess I am not a huge fan of public funding for political parties' campaigns but I know that in this country that horse bolted years

ago. It means that taxpayers money goes to support ideas and causes that many strongly oppose. Like Dr Carling-Jenkins, I do not think that should happen, but it does. I think that political parties should be able to attract financial support based on their philosophy, their ideas, their policies and their capacity to deliver, and ideally disclosure and scrutiny should provide accountability and fairness.

I do not think that public funding of political parties improves our democracy; I think that is something said to justify it after the fact. I do not think that most voters think that public funding of political parties improves our democracy. I do not think there is anyone standing outside my electorate office in Bay Street, Port Melbourne, right now saying, 'You know what? I am really glad there's going to be more money for the political parties who happen to be in the Victorian Parliament at the moment, because it makes our democracy stronger'. I mean, that is just a nonsense.

**Mrs Peulich** interjected.

**Ms FITZHERBERT** — An absolute joke, as Mrs Peulich said.

The first time I volunteered on a polling booth was in 1982 — yes, I was extremely young — and I have volunteered in campaigns repeatedly over the years since. Like many people in this place, I have been responsible for running campaigns in seats, and the issue of fundraising has always been a key concern over that time. Unlike the picture of fundraising that the Greens in particular like to dwell on to bolster to their own position and the claims that they like to make about the Liberal Party in particular, so much of that fundraising is small scale and very, very hard work. It is done by people who believe in a cause and are raising money in a way that is honest and audited.

There is no limit currently on what individuals, corporations and trade unions can donate to political parties, so this is a new feature of Victorian electoral law. This particular issue of placing caps has been extensively considered in the US by its courts and to some extent also by ours, in particular by the High Court of Australia in *Unions NSW & Ors v. State of New South Wales*. The court held that if you aggregate the electoral communication expenditures of political parties and affiliated organisations and then limit them, it impermissibly burdens the freedom of political communication. In my view this bill also does that, and that is one reason I do not support it. It is clearly intended to do that and also to create an uneven playing field, quite deliberately. It does mean that the Labor Party will always have an advantage in the funding

stakes because of this bill. We should not shy away from that fact at all — it has been deliberately loaded into the bill.

Other speakers have discussed the red shirts rorting regime — it is very hard to get through that alliteration — which showed how Labor created a systemic rort to access more public funding. This bill is another attempt. I noted the comments that were made to Mr Ondarchie when he went through the list of some of the names of the people who participated in that and benefitted from it, many of whom are still in this Parliament in both chambers, and some are ministers. There are others who have avoided scrutiny. The Labor Party did this repeatedly, through repeated legal attempts to block scrutiny, including going to the High Court in what was undoubtedly going to be a hopeless attempt to get previous decisions overturned. On one hand they said, ‘Oh, we’re going to be open and accountable and cooperate with the Ombudsman’, and then, ‘Except for when we’re going to spend public money on delaying scrutiny by going on yet another misguided trip to the courts to stop the Ombudsman doing her job’.

I know those on the other side try to laugh it off and pretend it was nothing and say that people acted in good faith and distort what the Ombudsman actually said. What she talked about was an artifice and a highly organised scheme. A lot of the blame has been placed on Mr Lenders, who was conveniently shuffled away from a government appointment 24 hours before the news broke.

**Mr Davis** — But he was in it, and others were, too.

**Ms FITZHERBERT** — He was in it and others were, too, as Mr Davis says. He has been kept out of view; he has been very, very quiet.

**Mr Davis** — Except for that shot with the washing.

**Ms FITZHERBERT** — Except for the shot with the washing. He has done the right thing by the Labor Party and kept quiet and taken the blame. I am sure he will be rewarded at some time, but there are others in this Parliament who have deliberately hidden behind what I imagine Ms Tierney would call a technicality to avoid giving a full account of their actions and their participation. It is partly because of that that we do not know the full amount of public money that was rorted. Nor do we know how much money was spent in trying to hide this through misguided and politically motivated attempts through multiple legal processes and multiple courts.

I want to comment on a couple of other aspects of the bill as well. It includes some proposed changes to signage, and I like to think of this as the Landeryou clause. It is, as earlier speakers have said, an attempt to reign in the kind of proliferation of advertising material and signage that we see around polling booths. All of us are terribly familiar with this. All of us would have done those trips very, very early in the morning or the night before an election to ensure that we got the best position. I can see Mrs Peulich nodding; I know she has done this on many, many occasions. Having stood at many polling booths, I know that frequently people come through and say, ‘This is a waste; why do you do this?’, and I have some sympathy with that, particularly with the amount of plastic wrap that we see around the place.

Certain actions by Andrew Landeryou and some offsidars in the electorate of Melbourne Ports during the last federal election campaign led to them actually being charged for removing Liberal Party and Greens material that had been put up by people who had got up earlier and made the effort. They attempted to cheat and take it down. They were caught on that occasion, because a Liberal booth worker —

**Mr Davis** — Crooked!

**Ms FITZHERBERT** — Yes, it was crooked, Mr Davis. A Liberal booth worker was actually able to record them in the act of taking down this material, and there were legal consequences for the Labor Party and very embarrassing circumstances as a result of Mr Landeryou being exposed in that material. I would have thought he would have grown out of those sorts of antics by the time he left uni. I think they have been put to a stop permanently now.

Ms Patten mentioned earlier the proposed amendment in relation to electronic voting for sight-impaired Victorians, and I think this is a very important issue. There has been a lot of discussion of improving the democratic process through this bill, and I think this is one aspect that would do that. Many of us have been approached by people who are sight impaired and also by Vision Australia suggesting that there should be changes to the legislation. I am struck by the fact that the Parliament is preparing to make changes that are relevant to this election and will benefit political participants but not voters in the case of sight-impaired people who I think have put a very compelling case for change. What they are suggesting is that we should effectively use the existing provisions from the New South Wales Electoral Act 2017 and amend our own act. Their argument is that it works very well in that

jurisdiction. I have no reason to doubt that, but I have not looked into it personally.

I have had a number of approaches from sight-impaired voters, one a note from a voter named Betty Garland, who said:

As a constituent my rights matter. Yet as a consequence of my vision loss, I am denied my right to truly vote in secret and independently. This is unacceptable. Please ensure remote 'electronic voting' is legislated as changes are made to the Electoral Legislation Amendment Bill 2018.

I always have to have someone else see who I vote for which is not the way I want this situation to be and I should not be forced into this situation.

I think that is a very, very reasonable point; she is quite right. One of my staff who is vision impaired has also brought this issue to my attention and has spoken very compellingly of the need to change. Something that I will be looking at through the committee stage is why it is that we can make changes that supposedly improve the democratic process basically for ourselves but not for a group of voters who have very politely and reasonably been making their case from the sidelines. I am interested in hearing an answer to that question, because in terms of democratic improvements that would actually be a real one. On that note, I am going to conclude my remarks, and I look forward to the committee stage to come.

**Mr DAVIS** (Southern Metropolitan) (15:19) — I am pleased to rise and speak to this bill. The Electoral Legislation Amendment Bill 2018 is not a good bill. It is not a good attempt to change the electoral rules, and the Liberal Party and the coalition will oppose it.

I make the point very clearly here that the act sets out as its purpose to improve the operation of electoral processes, and there are a number of ways in which it does that. Some amendments, as Ms Fitzherbert has just outlined, will fit squarely within the attempt to improve the operation of electoral processes. The bill also seeks to enhance the integrity of the electoral system by prohibiting political donations from certain sources and introducing a political donations disclosure and reporting regime, and it amends the Public Administration Act 2004.

What I would say very strongly to this is that at its core it is about public funding. We already have a public funding regime in place at the moment, and I would argue that that regime does work imperfectly and could be reformed, but that is not to say that this is the model that will provide the outcome that is required. There is always a balance to be struck between the public support of democratic and electoral processes and the

need to ensure that parties actually can seek support from both volunteers and manpower but also financial support from other sources.

This bill tilts the balance towards public funding too far, in my view. It actually lays out a position where that balance between party and community support and public funding for political figures and political parties will be tilted very strongly towards public funding. When public funding is involved there is inherently a lessening of the need to draw on community and party support, and that is a loss of some democratic involvement at one profound level.

I make the point that that is a philosophical position that always makes me nervous with these bills on public funding. I remember when the public funding regime came in in 2002, and there are a number of weaknesses that were introduced into the system then. I am not sure our democracy is better or stronger for the changes that were made at that time, and I do not believe that this bill will make our democracy better or stronger. In fact it will arguably strengthen the position of unelected elites, strengthen the position of those who are in the shadows and strengthen the position of those who are not directly and formally publicly accountable, as MPs and other elected officials are.

One point I should make first is that this is actually about tens of millions of dollars of public money. Over an electoral cycle it is probably more than \$50 million of public money. It is a huge amount of money that is to be spent on this series of expenditures — on electoral advantage for particular parties and particular individuals — and I do not believe that this is a great outcome for the community. In the first instance, that money is part of a balance that this Parliament should strike between the amount that is spent on electoral matters, MPs, political parties and the political class as opposed to the amount that is spent on services, schools, health services and a whole range of other worthy public expenditure and even, in the context of the federal decision yesterday, to reduce taxation. That is I think also an important point that has not had sufficient consideration to date.

I make the point too that there are issues within this bill about restricting freedom of speech which make me personally very nervous. The High Court in the New South Wales case to which Ms Fitzherbert referred — and I think it was referred to earlier in the proceedings — did strike down many of the aspects that were in the New South Wales bill, and arguably that was rightfully so. We do not have a bill of rights. We do not have formal rights to freedom of speech, as in the United States or other jurisdictions, but the High

Court has found implied rights to freedom of speech and inherent democratic principles and inherent democratic parts that are implied in our process of bicameralism and elected public officials and what is needed for that to operate fairly, freely and in a way that maximises the ability of community members to have their say and influence the political process.

I think the High Court probably made some very wise decisions there, and it is my view that if this bill passes it will likely end up in the High Court. I would say to the High Court: look at this bill very closely because deep inside this bill are some inherently anti-democratic aspects, not least the restriction on political communications.

**Mr Dalidakis** — Are you foreshadowing a challenge from the Liberal Party?

**Mr DAVIS** — No, I am saying that, as you would understand, Mr Dalidakis, these are matters of long academic and political philosophical debate in universities and in public arenas across many jurisdictions. These are to the forefront today, and that is why I am making that point. I am making the point that if you look at many aspects of this bill, I do not know that they would not fall down on many of the tests that were set by the High Court in that New South Wales case.

It is interesting to look at even very recent cases. The US Supreme Court has ruled in recent days in *Minnesota Voters Alliance v. Mansky*, a case that looked at the restriction on the right of people to appear in certain ways at booths and an attempt by that particular American state to limit political activity of various types on booths. Indeed in that action of the Supreme Court in striking down the essence of that law it is saying, ‘Actually, no, you can’t restrict what people wear on a booth’. You cannot go too far in restricting the ability of people to convey a political message peaceably and fairly, without hectoring or threatening anyone else, but within those bounds people ought to be free.

The idea of restricting billboards within close access of polling booths is inherently anti-democratic. There is no other way to see it, and I say that the High Court will look at this. Certainly if the Supreme Court of America were to look at this, they would see it as a profoundly undemocratic attempt to restrict political rights, effectively free speech rights, and I think our High Court would also likely be similarly concerned if it were to look at this matter. It would look at it and say, ‘Actually, this does restrict the right of people in a cheap, free and straightforward way to convey political

messages near to the time when people are actually voting and making their decisions’.

I also make the point here in this contribution that I am concerned about the issue of postal votes. I see that we have had the introduction of a potential amendment, an amendment that may well be carried by this chamber, that would restrict the capacity of postal votes to be counted under certain circumstances by restricting the time, and that is a partisan and direct attack on the voters who largely support the Liberal Party on many occasions. It is clear that the postal voting habits of older Victorians, many of whom are strong supporters of the Liberal Party, would be directly disenfranchised by this particular proposed amendment. It is in fact a partisan step, and Labor know what is going on here whether they introduce it or not or do it via a proxy. I make the point that Labor election reviews, including the 2010 election review, made it clear that Labor were out-campaigned on postal votes. They know full well that this is a partisan step — a step to rig the election, to twist the election result for a partisan outcome. It has to be called out for precisely and absolutely what it is.

There have been tests of the current postal vote arrangements that are in operation in Victoria. In fact the Supreme Court, as I understand it, has ruled on them and found them to be lawful. Now this is an attempt to come back and change the law and close down what is perceived as an advantage for the Liberal Party. Talking often to older voters who wish to vote through a postal vote system for incapacity or a range of other reasons, the machinery that is put around this — the narrowing of opportunities, the closing down of electoral opportunities, the closing down of the chance for people to register their legitimate, democratic vote and participation — I think is an absolute travesty. It is the most undemocratic thing I think I have seen in many years, and it is an absolute disgrace. This bill at its core has many, many concerning features, but that attempt to amend it in that way is deeply scurrilous.

I will also make some points about the protections around this bill. One of the things about this is that it is attempting to increase the integrity of the electoral system. We are going to put political parties in charge of massive amounts of additional public money, and we are going to do that without proper checks, without proper balances, without proper controls. Giving the Labor Party, the Victorian part of the Australian Labor Party, access to this money without proper checks and proper controls is like putting Dracula in charge of the blood bank. That is what it is. We know Labor have been caught red-handed by the Ombudsman in their corrupt behaviour in this state, taking almost \$400 000

of public money, misusing it for partisan electoral advantage and using public money — taxpayers money — illegally and falsely. Frankly I am staggered that there have not been criminal charges laid about this, I have to say. I am staggered that there have not been criminal charges laid.

Some members in this house and in the other place have been people who have been fingered by the Ombudsman for authorising time sheets certifying electoral work for field organisers who were not electoral officials. They were Labor Party campaign officials. Let us make it clear what is going on here. Mr Jennings over there signed 32 days of money —

**An honourable member** interjected.

**Mr DAVIS** — He did — it is on page 63 — and he signed that money for —

**Mr Dalidakis** — On a point of order, Acting President, again further to an earlier point of order in relation to relevance, this has nothing to do with the legislation before us, as in fact you ruled with respect to Mr Ondarchie's lack of contribution.

**Mr DAVIS** — On the point of order, Acting President, one of the purposes of the bill at part 1, clause 1(a)(ii), is to:

enhance the integrity of the electoral system by prohibiting political donations from certain sources and introducing a political donations disclosure and reporting scheme ...

What I am saying here is if a purpose of the bill is to increase integrity, I am pointing to weaknesses that have been demonstrated. We are about to give political parties tens of millions of dollars of hard-earned taxpayers money, and I am interested in seeing that that money is not squandered or misspent. That is about integrity, Acting President.

**Mr Dalidakis** — Further to the point of order, Acting President, Mr Davis is absolutely correct about the objective of the bill, but, as he pointed out himself, it has to do with the integrity of the political donations system, and so —

**Mrs Peulich** interjected.

**Mr Dalidakis** — Sorry. No, I can't —

**Mrs Peulich** interjected.

**The ACTING PRESIDENT (Mr Melhem)** — Thank you, Mrs Peulich.

**Mr Dalidakis** — Thank you, Acting President. Again, in Mr Davis's own contribution he has pointed out why his contribution has swayed way, way away from that objective.

**The ACTING PRESIDENT (Mr Melhem)** — I am not going to rule on the point of order. You have got a minute and 10 seconds left, Mr Davis.

**Mr DAVIS** — It is very clear that the table on page 63 of the Ombudsman's report, page 64 of the Ombudsman's report and page 76 show those who employed field officers and the amounts of money involved: Mr Lenders, \$44 000; Mr Jennings, in charge of handing over \$20 500 of public money to the Labor Party through the signing of a set of time sheets —

**Mr Gepp** — On a point of order, Acting President, again on relevance, there is nothing in this bill about the Ombudsman's report. You ruled on Mr Ondarchie's contribution that he was not relevant to the bill. Mr Davis is going down the same path, and I would invite you to bring him back to the points in the bill.

**The ACTING PRESIDENT (Mr Melhem)** — Thank you, Mr Gepp. Mr Davis, you have 14 seconds.

**Mr DAVIS** — I do. To 'improve the operation of electoral processes', which is in clause 1(a)(i), is precisely what my point is. If you have got misspending, inappropriate spending and corrupt activity, that will directly impact on the integrity of electoral processes.

**Mr JENNINGS** (Special Minister of State) (15:34) — I imagine that for quite a significant amount of time there will probably be some continuation of the discussion that people have been seeking to have during the second-reading debate, but I just want to focus on what the bill does and actually what effect the amendments that will be moved in my name will have.

**Mrs Peulich** interjected.

**Mr JENNINGS** — Good luck, Mrs Peulich. You might be interjecting for a long time. What I want to remind the chamber is that this piece of legislation enacts a range of recommendations that came through the Electoral Matters Committee report in 2014 that made recommendations for the way in which our electoral system would be able to be enhanced to improve the opportunities for our citizens to vote and for political parties to be registered and account for themselves in an appropriate fashion, and to allow the Victorian Electoral Commission (VEC) to be responsive to the community's expectation that voting is counted in a timely way and that they have

confidence that the electoral result will be determined in the shortest period of time.

Those specific recommendations that we have responded to are that we provide that the early voting period for a by-election is 12 days, just as it comes into line with a general election; we provide that early voting commences on the Monday following final nomination day; we facilitate faster processing and counting of early in-person votes and postal votes; we remove the requirement for voters to provide reasons for why they are voting early; we provide for online postal vote applications and simplifying the witness requirements; and we allow postal votes received after election day to be counted based upon dates they are witnessed and received by the Victorian Electoral Commission rather than dates that they are witnessed and postmarked. The bill imposes strict time limits for applications to validly register a political party and simplifies the authorisation requirement for how-to-vote cards.

Beyond that the bill does a number of things that the government made policy commitments on and announced during the course of 2017. This bill was prepared after a long period of consideration. It has not only been in the Parliament for some time but it has been subjected to lengthy conversations between the government and all political parties in this place. Some of those extremely lengthy conversations and considerations, which as I said have occurred over a long period of time, have in the main been very productive conversations. In the main they have actually been quite fruitful.

The government has recognised the need to make some refinements to those recommendations and has built on them to deliver the government's policy intentions, including to reduce the reliance in our community on private sources of donations or the transference of money between private sources of money or vested interests and political parties; to make commensurate changes to the public funding regime; to enable political parties to be able to campaign; to provide for confidence about what the activities are of not only political parties but also associated entities that may be political fellow travellers or social fellow travellers with political parties and third parties who may not actually want to run candidates but want to run campaigns to influence the outcomes of elections; and to prevent the flow of money between those entities. The donation reform establishes the nation-leading benchmark of reducing political donations during the course of a term to \$4000, whether that be from an individual or an entity or a corporation, and that \$4000 is a limit that applies in this jurisdiction now. Compared to what has

existed in the past it is actually a transformation. In fact it is the lowest threshold or cap of donations that applies in the country.

The bill also provides for real-time disclosure once \$1000 has been donated to any political party, associated entity or third-party campaigner, and it provides the opportunity for the electoral commission to publish that donation of \$1000 or more within a 28-day period. That is quite an undertaking. We think that policy outcome is quite an achievement, given that there is a lot of community apprehension about the way in which political parties relate to stakeholders and constituents. Whether it is fair or whether it is unfair, many political parties around the nation are subject to accusations of their policy outcomes and their decision-making being contaminated by private or vested interests. The government is of the view, and I think the majority of the members of the chamber recognise even if they do not necessarily agree with the mechanics of the bill, that there is value in the underlying logic of reducing the flow of transactions of money to political parties that may be perceived as contaminating their policy or decision-making process.

That is what the bill achieves. It actually bans foreign donations and limits anonymous donations to \$1000. It makes for a degree of accountability that the VEC would be responsible for in terms of measuring the effectiveness of these reforms, and beyond the financial statements and acquittals of political expenditure that the VEC currently undertakes, it will be able to undertake that in a more rigorous fashion into the future.

The proposed amendments that I would like to have circulated in my name have been subject to discussions across the political spectrum in the Parliament. Even though the Liberal Party indicated earlier this week that it is not supporting the bill, many of the amendments that are included in the package of measures that I am introducing to the chamber —

**The ACTING PRESIDENT (Mr Melhem)** — Mr Jennings, can I interrupt you so that we can circulate your amendments.

**Government amendments circulated by Mr JENNINGS (Special Minister of State) pursuant to standing orders.**

**Mr JENNINGS** — I was indicating that there are a number of matters that the Liberal Party put to the government that have been preserved in these amendments, even though the Liberal Party has actually decided not to support this piece of legislation. In recent



days there has been a proliferation of other party interests that have actually been considered by the government in the name of securing this important reform.

The first simple set of amendments relate to the timing and the implementation of the operation of this bill. Originally there were a number of provisions to apply from 1 July, but given that this piece of legislation has not passed the Council or been agreed to by the Assembly, effectively it will not be able to be implemented before 1 August, so there are a number of saving provisions in these amendments that take account of that transfer from 1 July to 1 August.

One of the things that was made clear to the government in relation to the ability for parties to comply with the establishment of political campaign accounts is that that was an onerous responsibility that was not required prior to the election because in fact the donation reform elements do not come into effect until after the election and will apply over the next term, with the exception of the foreign donation and anonymous donations. In fact the date for political parties to register a political campaign account with the electoral commission has been deferred to 25 November. There is an unfortunate unintended consequence of reducing the days in which registered parties will be able to comply with the act, from 120 days to 115 days. The best case scenario, if the bill is passed by the Assembly and comes back and is passed by the Council in the next sitting week, is that we will only have lost five days in the timing that was available for registered parties.

The bill and the amendments deal with the consequence of the government's consideration of postal vote matters. Mr Davis indicated a few minutes ago that he has heard on the grapevine that postal votes being made available to citizens online and through an application to the VEC is a feature of the amendments. Indeed it is the intention to allow political parties upon request to receive information, so in fact there will be an ability for the Liberal Party and other parties to actually correspond with those people who are seeking to avail themselves of a postal vote.

There have been extensive conversations about trying to improve the voter experience and the ability for people with vision impairment or other impairment to access online voting or assisted voting through electronic or telephone services. These amendments take account of that opportunity.

There has been a position put to the government that in relation to the banning of bunting and the reduction of

the number of signs that may be associated with political parties and/or candidates at polling booths, which is an important reform that the government believes will actually make the voter experience more harmonious at the voting station in that there will not be a huge run-through a barricade of collateral material, we were a bit overzealous in relation to having one sign. In fact there has been a request to us — and the first people to put it to us, funnily enough, were the National Party — by people who thought that an A-frame with two signs on it was probably better than one. We have actually been mindful of addressing that question.

I know that a number of people have taken the opportunity to perhaps distance themselves from some things that were put to the government by the Liberal Party, but the one thing I want to congratulate the Liberal Party for — and Mr Smith, in particular — drawing to the government's attention is the particular challenge of making sure that this piece of legislation does not fall foul of commonwealth legislation in relation to restricting access to contributions from private citizens that may go to political parties to be used in the context of federal campaigns as distinct from state campaigns. So provided that they are accounted for, there are saving provisions within this piece of legislation to make sure that it does not fall foul of commonwealth law in relation to electoral matters.

There are adjustments in relation to what comprises a political party and what level of expenditure limits on third-party campaigners will invoke the provisions of the bill, which was originally placed at \$2000. We have agreed to increase that threshold to \$4000. It was put to the government that a number of community-based organisations would never receive public funding for electoral reforms and that we were overzealous in constructing in the bill a requirement to have separate accounts that prevented membership fees being used as part of political campaigning. We accepted that advice, but those provisions cannot be used to override the donation capping restriction. In fact there cannot be a transfer of any membership money beyond the \$4000 limit that seeks to overcome the intention of the legislation.

We recognise that there is a balancing act between political campaigning and freedom of expression. There has been a tightening of the time frame in relation to people seeking to influence the vote so that it will now take effect from the caretaker period commencing 1 October and beyond that if in fact the view of the electoral commission is that the communication has been designed to affect the voting intention, even

though it may not specifically call out the vote. Otherwise there is no restriction on any social campaigning that may actually occur up until that period of time. Unless it is specifically referring to a candidate, a party or a voting intention, it will not be deemed to be political expenditure.

We recognise that there is an opportunity for parties to organise their affairs in a way that recognises their internal financial structures or what meets the needs of their party to administer their affairs. The government has had lengthy conversations about the conundrum that the Liberal Party has faced in relation to its connection with the Cormack Foundation. The government has been and continues to be accommodating of the needs of the Liberal Party to resolve the matter, and that matter may be fleshed out during the course of the committee stage.

There have been a number of other amendments that have been made in terms of the way in which we acquit other responsibilities. At the end of the 2022 election there will be a review to undertake the effectiveness of these reforms and to lead to consideration of refinement or reflection on the success of these amendments.

#### House divided on motion:

##### Ayes, 22

Bourman, Mr	Patten, Ms
Dalidakis, Mr	Pennicuik, Ms ( <i>Teller</i> )
Dunn, Ms	Pulford, Ms
Eideh, Mr ( <i>Teller</i> )	Ratnam, Dr
Elasmar, Mr	Shing, Ms
Gepp, Mr	Somyurek, Mr
Jennings, Mr	Springle, Ms
Leane, Mr	Symes, Ms
Melhem, Mr	Tierney, Ms
Mikakos, Ms	Truong, Ms
Mulino, Mr	Young, Mr

##### Noes, 18

Atkinson, Mr	Morris, Mr
Bath, Ms	O'Donohue, Mr
Carling-Jenkins, Dr	Ondarchie, Mr
Crozier, Ms	O'Sullivan, Mr ( <i>Teller</i> )
Dalla-Riva, Mr	Peulich, Mrs
Davis, Mr	Purcell, Mr
Finn, Mr	Ramsay, Mr
Fitzherbert, Ms ( <i>Teller</i> )	Rich-Phillips, Mr
Lovell, Ms	Wooldridge, Ms

#### Motion agreed to.

#### Read second time.

#### Committed.

#### Committee

#### Clause 1

**Mr RICH-PHILLIPS** — Before I start on clause 1, I ask that my amendment to clause 35 be circulated, please. It is in the hands of the committee. It relates to conduct at polling places, which we will obviously get to subsequently in the committee's consideration.

#### Business interrupted pursuant to standing orders.

#### Sitting extended pursuant to standing orders.

#### Committee resumed.

**Mr RICH-PHILLIPS** — Acting President, I am just wondering if you are able to clarify as we start this committee stage whether you are expecting further amendments to be circulated. Obviously the Leader of the Government has circulated a number of amendments — about 16 pages of amendments. Other members have indicated through the course of the second-reading debate their intention to propose amendments. It would be helpful to the committee obviously to understand if those amendments exist and when they might be contemplated, given there seems to be a lot of subject matter that overlaps between the various amendments which have been discussed in the course of the second-reading debate.

**Mr JENNINGS** — I can volunteer that I am operating on the assumption that there will be an amendment moved — and I should not actually indicate that until the member is in the chamber and prepared to support that themselves — to clause 43 relating to the nominated entity definition and the time frame by which a nominated entity may be deemed to be compliant with the legislation that then has a default provision for two years hence about being more restrictive. So it broadens the opportunity for a nominated entity to be identified. I can indicate that the government intends at this point in time to support that amendment.

**The ACTING PRESIDENT (Mr Elasmar)** — My understanding is that there are no amendments to clause 1, so I will leave it at this stage. Mr Rich-Phillips, do you have any questions?

**Mr RICH-PHILLIPS** — That does assist the committee in proceeding forward, knowing that there is not likely to be an amendment to clause 1. We hope that we have some clarity on subsequent clauses. I appreciate the response from the minister and his understanding of what others may do. That covers one party. A number of other parties also foreshadowed

amendments, which obviously, if they exist, will come into play in subsequent clauses.

Can I ask as a starting point on this bill: as the discussion during the second-reading debate flagged, there is a substantial change to arrangements with respect to electoral funding and the quantum of electoral funding that is going to be provided to political parties. The Electoral Act has a special appropriation. It is not appropriated by the appropriation bill each year; it has its own standing appropriation, and therefore the impact of any changes made to this bill will be automatically appropriated. Can the minister indicate how much additional special appropriation is going to be required to give effect to the financial changes in this bill?

**Mr JENNINGS** — Are you referring to the public funding variation or the administrative support provided to parties and/or the political support to parties, the administrative support to parties and/or the guaranteed coverage of adviser positions for non-government members? I am just interested in which aspect of that you seek clarification on.

**Mr RICH-PHILLIPS** — Initially, Minister, I was talking about the electoral funding and the administrative provisions. The minister raised an interesting point with respect to the staffing provision, which obviously, to the extent staffing is provided, is currently provided through the Department of Premier and Cabinet. Through the appropriation it goes to the Department of Premier and Cabinet. That will have an outcome via the special appropriation. So could the minister, if he is able, indicate those three elements, particularly the quantum of the change and, in the case of the staffing, the change from the current cost to the proposed cost under this model as well as the change in the other two elements?

**Mr JENNINGS** — I have to actually take advice. I am sure I will be in a position to be able to confirm the various elements of attribution during the course of the committee stage, but what I can indicate to Mr Rich-Phillips is that there has been a published figure for when the government announced these reforms that anticipated the additional expenditure of \$45 million associated with these reforms. Part of that relates to what we anticipate to be the compliance and a range of other matters in relation to the activities of the Victorian Electoral Commission — their resourcing allocation and their ability not only to manage the election process but also the accounting functions that would be associated with the new public funding and donation regime. In fact they would have the financial cost centre in relation to the increase of public funding

that is actually provided to political parties following an election based upon the variation between what is the outgoing scheme of \$1.79 per vote to the new regime recommended in the bill of \$6 per primary vote in the Legislative Assembly and \$3 in this chamber.

One of the effects of the amendment I have introduced is to vary the parties that have members who are elected to this chamber who will be guaranteed access to public funding for their primary vote once elected, even if they do not reach the 4 per cent threshold.

In relation to the cost of those items I will seek some advice, and presumably there are people working on that immediately. We can move on, if that is okay, and we can come back and I can give you the specific allocation, but we have already published that \$45 million is the estimated cost of those initiatives that I have described.

**Mr RICH-PHILLIPS** — Thank you, Minister. In relation to the administrative funding that is provided to the parties of the members of Parliament and to Independent members — \$40 000 per member per annum is a total of \$5.12 million annually for what is estimated to be the administrative costs of the scheme — can you indicate how much additional funding is being allocated to the VEC for its counterparty administration activities?

**Mr JENNINGS** — Mr Rich-Phillips, as you described, there is a special appropriation that is quite a flexible funding arrangement that the VEC has been funded with under successive governments in relation to its having access to funds for them to acquit their responsibilities to make the election work, effectively. That is the simple way of describing it. In that regard there is provided sufficient budget capacity for the VEC to acquit its responsibilities and then the VEC effectively reconciles with the government about its expenditure — it is in some ways equivalent to what political parties are required to do in relation to the election process — how much has been spent and how much the VEC needs to be reimbursed for. The absolute answer in relation to the question is: there will be an estimate that I will be able to provide you with, but the estimate will in effect take some time to work through the actual expenditure. But I will provide you with the best estimate I can give as soon as I step over there. Well, not as soon as I step over there. I am waiting for them to work through this, and I am going to come back to them.

**Mr RICH-PHILLIPS** — Thank you, Minister. Yes, it is a special appropriation, and yes, it is reconciled, but it is not a blank cheque for the VEC. I

do not think the Treasurer would be very receptive to that. The government obviously made a very clear estimate of the administrative impacts of this legislation on a per-MP basis in order to be able to put \$40 000 per MP per year in the bill as reimbursement for the estimated administrative costs. What was the basis of determining that \$40 000 per MP per annum as the amount required to cover those administrative costs of the scheme?

**Mr JENNINGS** — Across the political spectrum representations were made to the government by political parties in relation to their administrative requirements, what would be expected of them to be able to comply with the legislation and indeed what were the viable cost structures of political parties, given that there was going to be a new accounting requirement that campaigning activity was to be kept separate from administrative functions. It needs to be understood that there will be a streaming of funding into the administrative side to make sure parties can acquit their obligations under the act and that they can actually operate as effective political organisations but not use any of that available resource to support the campaigning effort.

The government took soundings from a range of political parties, and the quantum was determined on the basis of what was intended to be an equitable, fair and reasonable application of the compliance obligations on political parties to make sure that they did not fall foul of very onerous donation notifications, record keeping notifications and real-time disclosures in relation to donations.

We recognise that that is quite an onerous responsibility for complex organisations such as political parties. You would be mindful of your dispersed grant structure, just as the Labor Party has a dispersed grant structure. Donations could come in from a variety of sources to a variety of dispersed places. There has to be an ability to have accounting practices internally to be able to reconcile that.

It was put to us by a number of parties that a sustainable footing for the administrative compliance would be covered by that amount on the basis of the proportional effort that parties of complexity and scale would be exposed to compared to minor parties. Therefore a formula was derived in relation to what was the estimate of those costs and what was the way in which you could apply a formula in relation to the allocation of and access to those funds to apply across the Parliament. It was determined on the basis of the number of members of Parliament, related to the complexity of the challenges for those political

organisations, and it was based upon a model that has actually existed in other jurisdictions — in New South Wales, for instance. There is a similar source of funding that is available to parties in New South Wales.

**Mr RICH-PHILLIPS** — Thank you, Minister. The minister spoke about the extensive administrative complexity for large parties, devolved parties. That gives rise to a commensurate complexity in the compliance and oversight activity of the VEC. Does the government expect that there will be a correlation between the cost to the VEC of overseeing these provisions and the cost that is being assigned to parties to administer these provisions?

**Mr JENNINGS** — It would not be exactly the same, but it would be commensurate because there would be a consistency of approach in terms of the accounting standards and the reporting standards that the VEC will establish and maintain. They will have a dedicated team for this purpose, and they have been organising themselves to introduce such a team to facilitate this. Again, if you are concerned, the VEC actually does not consider this to be open slather in relation to changing the profile of its workforce, but it does recognise that there has to be a dedicated division or unit within the VEC for this function and is organising itself appropriately.

**Mr RICH-PHILLIPS** — Minister, you said there is a similar model in New South Wales for administrative support. Is the quantum of that similar to this?

**Mr JENNINGS** — The team have used their time wisely. In New South Wales the system is a little bit more complicated. There are some swings and roundabouts in the way in which the funding stream works, but it maxes out for political parties at \$2.37 million, the administrative support. There is a formula that applies to access to that funding. Based upon the estimates that you have done and the estimates that the government has done, that would be commensurate with what we would expect to happen in Victoria. In fact it would probably be a bit higher than what we would have in Victoria under the model that is in the amendments that I am actually putting to the Parliament later in the committee stage.

In answering your question about the VEC's preparation, they have estimated that the recurrent costs of the compliance regime would be in the order of \$3 million a year, and there is an asset requirement for them to establish IT systems and reporting regimes. The current estimate is that that may be about \$1 million in terms of establishment costs.

**Mr RICH-PHILLIPS** — Thank you, Minister. There are a number of funding elements in the bill. There is the new electoral funding — the \$6 and \$3 which you touched on in your summing up. There is the administrative funding that we have just spoken about, and we also touched briefly on the staffing, which will now come through the Electoral Act 2002 rather than through DPC. The way the bill is structured, it preserves the existing electoral funding, the \$1.20 — now indexed to \$1.79 — per vote for the election we are facing in November of this year and then prepays the new model over the duration of the next term of Parliament. Why has the government elected to effectively double dip — to have the existing funding and prepay the new funding model in that one parliamentary term? Obviously it will be a one-off for the period 2018 to 2022, but by virtue of the fact that the prepayment is going to occur in subsequent Parliaments it has the effect of a double dip. Why is that?

**Mr JENNINGS** — I can understand why you might have construed it that way, but effectively what the bill provides for is an ability for parties to have continuous campaigning, which is a feature of modern campaigning. It is in fact not the conventional form of campaigning; it is back end loaded in relation to the electoral cycle. This, in my view, has a more modern and contemporary view of the communications activity of political organisations. From the way it has been responded to across the political landscape, that is the view that party organisations seem to share — that they would prefer to have the ability to campaign continuously during the course of an election cycle and not to have to wait four years for the recouping of that expenditure but in fact for it to be provided on a more stable and predictable basis through the whole electoral cycle.

So there had to be some point in time when you transit from one scheme to the next scheme. There is the potential for your concern. The government's construction and how we understand it is that the election result in 2018 will be the time frame in the first instance for the pre-existing payments, so the expenditure that you have incurred, providing you have spent as much money as the \$1.79 per vote, which you are eligible for under public funding. You will have to have an acquittal of that. That will be the last time that that regime will apply in that form.

The prospective nature of the payment is that, depending upon that election result, you are deemed to have the facility to expect that your vote will be maintained during the course of the cycle. So it defaults to assuming that you have earned an entitlement based

upon your electoral result at this election and you will achieve a similar electoral result for the purposes of funding your ongoing campaigning. So it becomes a prospective payment.

At the end of that subsequent election cycle, you are then required to reconcile your expenditure with your result at that subsequent election, and if there has been an erosion of your vote and you have spent more money than your vote would entitle you to in the future, you will have some challenges. If your vote is maintained, you will be able to reconcile your expenditure. So there is still an obligation for political parties to acquit their expenditure in the appropriate election period. Whatever transitional arrangements you make in going from a retrospective model to a prospective model, there has to be some transitional arrangement. That is the reason why we made that decision.

**Mr RICH-PHILLIPS** — Thank you, Minister. There are two big changes between the current model and the new model — the prepayment model. One is the quantum of the support and the other is the differential it has created between a lower house vote and an upper house vote. Can you firstly address those two issues? What is the basis of the quantum? We are jumping from what was \$1.20, indexed — I think you said it is now \$1.79 at the current rate — to \$6 and \$3. And why is there a differential, where currently there is not a differential, between the two votes in the two houses?

**Mr JENNINGS** — There are simple constructs in relation to it. We looked at the landscape in terms of public funding levels across the nation. We actually looked at how that balanced out with the donation restriction. We have increased our donation restriction to be the strictest regime across the nation. You could have actually automatically decided then that meant that our public funding rate should have gone to the top of the league table, but it did not.

We made a decision based upon what we believed to be the campaigning cost structures on a no-change basis for political parties so that there would not be a huge uplift or deterioration in their campaigning efforts, depending upon their ability to attract donations and their campaigning efforts. So we tried to, from the public's perspective, give the public confidence that in fact there would not be a monumental step change in the nature of political campaigning activity; it would actually be relatively modest in that there would not be a huge fluctuation from the public's perspective in relation to what the campaign effort might look like. The parties would be able to acquit that degree of

expenditure in an appropriate way that would not lead to either a saturation of campaign material or a reduction of campaign material due to the restriction on private sources of income coming to political organisations. So basically it was a balancing factor of those issues.

The last issue in relation to the quantum of the difference is that government is formed in the lower house, and for better or for worse in terms of how the Parliament works that is always going to be the focus of attention. It is the focus of attention in relation to the community's expectation of the high-profile nature of the campaigning that takes place in the Assembly seats compared to the Council seats. When push comes to shove it is in accordance with the campaigning activity that is associated with the election of MPs in the Victorian Parliament, and ultimately, at the end of the day, it is campaign-focused with the importance of forming government in the Assembly.

**Mr RICH-PHILLIPS** — Thank you, Minister, but of course government was formed in the Assembly when the Bracks government brought in the first funding model in 2002, which had equal funding in both houses — \$1.20 with indexation — so I am not entirely clear how that is now the basis for 100 per cent differential between the two houses. If you look at the data published by the Victorian Electoral Commission, as I am sure you or your party colleagues have, it is a fact that certainly back as far as the data was published, which was about 1999 — so 1999, 2006, 2010 and 2014 elections — the Labor Party has consistently achieved a higher primary vote in the lower house compared to the upper house and, coincidentally, the Liberal Party has had a higher primary vote in the upper house in aggregate compared to the lower house. How did that factor in your decision to allocate higher funding levels in the Assembly for Assembly votes versus Council votes?

**Mr JENNINGS** — I can understand that you might want to come up with a conspiracy, but during the course of the week I actually saw an analysis by the Institute of Public Affairs (IPA), which is not a friend of the Labor Party, that indicates the financial result of these reforms benefits the Liberal Party compared to the Labor Party. So in terms of the line of your questioning and what you are implying with it, your think tank thinks that you are going to benefit more than the Labor Party.

**Mr RICH-PHILLIPS** — I am happy to inform the minister that I have seen that particular IPA document, and he will probably not be surprised to know that I have questioned the IPA as to how it reached that

conclusion. There have been further discussions with the IPA about those calculations, because on the estimates that have been prepared, which are based on the 2014 election results, we see because of that differential in votes and obviously the higher vote the expectation that the ALP would attract \$11.1 million of electoral funding under the \$6/\$3 model; the Liberal Party, \$11.04 million; the Greens, \$3.4 million et cetera. So it does not accord with that IPA analysis. Is the government relying on the IPA analysis as being accurate, or do you have your own estimates, Minister?

**Mr JENNINGS** — Our estimates are consistent with what the government tried to do, which is to comply with the framing that I outlined. The Bracks government, when it introduced those original reforms to public funding, then made subsequent decisions in relation to constitutional change in the structure of the upper house. Those policy matters have not been addressed for a very long period of time, in effect over a decade — and in fact a decade and a half in relation to the original scheme that you referred to — so I do not know that it is necessarily a contemporary benchmark.

What I can say, and this has actually been confirmed in my discussions with political parties, is that in fact the financial return to political parties from this funding reform will enable them to maintain the effort not to give a significant financial advantage to any political party as a consequence. Despite what I hear of accusations made about the intention of the government, I do not think that anyone has come up with a financial model that demonstrates that the outcome is skewed in the interests of the Labor Party vis-a-vis anybody else, with the exception of the fact that because the Labor Party, and the Liberal Party for that matter, are large political organisations — they are in terms of the alternate parties of government within this Parliament — and are most likely to be into the foreseeable future, they will always receive the bulk of public funding comparatively. A number of people have been concerned about that because they think that there is inequity in that. The inequity is driven by the number of votes that our parties get and has not been designed to give preference to one party or another. It depends upon their electoral support.

**Mr RICH-PHILLIPS** — Minister, does the model maintain the relativities between parties? I do not just mean the major parties; I mean all parties represented in the Parliament.

**Mr JENNINGS** — You know the answer to that question is complicated, because in fact at the moment public funding has the 4 per cent threshold. That has been a feature of consistency across a number of

different jurisdictions for some time, but not necessarily something that has been revisited as the appropriate level necessarily affected as the appropriate benchmark, given that upper houses in a number of different jurisdictions have delivered members of Parliament with far less votes than that.

There has been a community concern about whether that is derived from indirect votes as distinct from direct votes, and one of the reasons there has been no adjustment is because of a question mark in relation to the 4 per cent threshold. The amendments that I am intending to move later provide an opportunity for parties which have elected members of Parliament to receive access to public funding for their primary vote. That is a change, and I will be referring to some advice that the government has received about the legal desirability and the consequences of that, because our intention and what it would mean at the moment is that what has been under-resourced will now be available to certain parties in this place on the basis of their primary vote not even being counted at all.

Now there may be potentially an overcorrection in relation to their access to public funding, an overcorrection in the view of people who are actually concerned about the relativities being maintained or not maintained. I acknowledge that there may be a construction of an overcorrection in relation to the model that may be applied today, but on the basis of access and equity in relation to smaller political organisations, that has been a matter that has been subject to a lot of consideration amongst the non-government members of the Parliament and their parties of recent times. From that vantage point it was put to the government that minor parties and emerging parties have been under-resourced in relation to access to public funding in the past. I think there is a lot of validity in that argument. We might have an argument about what is the perfect solution to that, but I think there is a validity to the argument.

**Mr RICH-PHILLIPS** — Thank you, Minister. There is a certain irony to the discussion, and you did not phrase it in terms of ‘legitimacy’ but ‘concern’, around the primary vote that some parties and consequently members attract in being elected to this place given who implemented the electoral model we now have in this place and the way that unfolded 15 years ago.

You indicated in striking the level of funding that the intent was to maintain the effort — that is, the political campaigning effort — of political parties not given advantage. Was there an objective assessment of whether the funding model did that rather than simply a

discussion with the parties? I say that in the sense of the donations that will be forgone or required to be forgone versus the additional funding that comes into play and in particular the quantum of donation funding, noting that some parties have access to funding which is not donation funding and which is not affected by this legislation such as affiliation fees, which I will touch on, and whether that was taken into account in setting the levels for the electoral funding to maintain that effort.

**Mr JENNINGS** — Yes, in fact there were scenarios and analysis undertaken to cross-reference what might be the anticipated drop in donations and the appropriate commensurate increase in other funding. That was definitely part of our considerations apart from the lobbying that was put to the government by parties, including my own, and I can name all the others if you want me to but I will not necessarily. I can just say to you there was a broad cross-section of conversations with political organisations about the effect of this. It was not put to me until the last couple of days about the inequities in the way in which that scheme worked in relation to effort on the basis of what parties were actually assuming to be the impact upon the donation restrictions and their campaigning effort. The only people that have actually put to me that they feel there was a disadvantage were small parties in the Parliament.

**Mr RICH-PHILLIPS** — By virtue of the threshold?

**Mr JENNINGS** — Yes, because of the threshold being a very blunt instrument.

**Mr RICH-PHILLIPS** — Minister, can I ask you about the donation framework in general terms. You have set a donation cap of \$4000 per entity in the electoral cycle. How was \$4000 selected?

**Mr JENNINGS** — It was selected on a number of simple constructs. The government believed that it had to provide for citizens, corporations, companies and entities and to not place a constraint on their desire to contribute to the political process or make a contribution — so as a freedom of expression and a right to enable a donation to occur. It was not a consideration that in fact there would be a blanket ban on any donation. That could have been a consideration, but it was not. It was rejected for that reason.

The next threshold question is what would make Victoria have the most rigorous scheme in the country and how could you have simple building blocks of the compliance regime to achieve that outcome? So a

\$4000 cap over the cycle simplifies down to a simple message of \$1000 on average per year. It does not have to be paid in that form, but \$1000 being the threshold after which you would have to have a real-time reporting requirement, so a one-off donation of \$1000 would need to be reported in close to real time and published by the electoral commission. They are the key elements of being able to have a clear message in relation to the restriction of what is the perception of political interference or contamination.

I think there would be some people in the community who would be very sceptical, if not cynical, about the influence of private money or influence in the political process, but I think you would have to take that to an extreme to say that \$4000 was going to significantly influence political organisations or MPs in terms of their being obliged to comply with certain policy outcomes set by that financial contribution. They are all the elements that we actually took into account. We are interested in the community, we are interested in business and we are interested in the VEC being able to comply with that model, so while there are many complexities in relation to how the scheme works, keeping to its fundamentals, \$4000 is easy to retain, it is a modest number, it is easy to think of in terms of real-time reporting requirements that cumulatively build to \$4000, and both parties' and the VEC's ability to account for that is comparatively simpler than it might otherwise be.

**Mr RICH-PHILLIPS** — Thank you, Minister. In your answer you addressed the government's view that \$4000 is not a level of contribution that leads to the exercise of influence over government decision-making, and I would agree with that. What level does the government believe is problematic in terms of influence on government decision-making?

**Mr JENNINGS** — Ultimately as a member of the government I do not believe I have ever been influenced by whatever number. In fact that is what you would hope. You would actually hope that the government is not influenced by political donations. It is the community's perception and the potential for that to occur that have driven the government's concern, and the policy agenda is responding to a community expectation. We believe that the threshold that we have established satisfies a reasonable person's view that we have mitigated against that risk.

**Mr RICH-PHILLIPS** — Thank you, Minister. I think it is a fair statement that \$4000 as a cap does mitigate against the perception of that risk. I guess that takes me, though, to the issue that the bill makes a distinction between political donations and other

receipts by political parties, and I am referring of course to the affiliation fees, which the Labor Party is largely a beneficiary of, from trade unions. I referred in my second-reading speech to a number of the AEC returns, which you may or may not have heard, and some of the line items in there. Of course the most recent return from the Victorian branch of the ALP has some donations, and the donations were relatively small, and I referred to that and acknowledged that. The corporate donations include Bertocchi Small Goods, \$40 000; Michael Gudinski, \$20 000; and one or two private individuals who I will not name. The actual donations were quite small, and that is fairly consistent throughout the returns and is more or less equally consistent with the Liberal Party, and where there were corporate donations they were often from the same entities for the same amounts.

Where there is a difference, though, is the large number of trade unions who do not record donations to the Labor Party but on the AEC return are shown as other receipts, which I understand are affiliation fees. They, to give you some examples, are the Australian Manufacturing Workers Union metals division, \$92 000; the Australian Services Union Victoria and Tasmania branch, \$125 000; the Australian Workers Union, \$97 000; the Communications, Electrical and Plumbing Union of Australia plumbing division, \$66 000; the CFMMEU construction division, \$143 000; the National Union of Workers, \$152 000; the Shop, Distributive and Allied Employees Association, \$184 000. All of those contributions are far in excess of the \$4000 which you have indicated — and I agree with you — gives the community comfort that there is not influence being exerted. The level of those contributions is almost without exception higher than the level of political donations received by your party or my party, so why does the government not have the same concern about community perception of those receipts as it is expressed in relation to receipts which are strictly donations?

**Mr JENNINGS** — It goes back to the question that I answered a few minutes ago about the freedom of association and participation in, in this case, political life, but it could be in community life, it could be in the business community or it could be in the freedom of association and the membership relationship between organisations and their members. In this case a union would be a member of the Labor Party, but in fact there could be many, many other membership relationships. Of recent times the Business Council of Australia has decided to use its membership and mobilise it for political purposes. They are entitled to do so and they would be entitled to do so under this regime. I give that



example rather than actually going straight to the Liberal Party.

**Mr Rich-Phillips** — But they are not contributing to political parties.

**Mr JENNINGS** — No, but they may undertake political expenditure, which is also covered by this bill. The bill does cover political expenditure of membership-based organisations. You gave me the example of the Labor Party, and I have responded with the Business Council of Australia. I can also say Environment Victoria, which may not be the happiest organisation at this point in time in relation to these reforms, or a small charitable organisation that in fact undertakes political expenditure. Those various entities that I have described have a membership base and have an opportunity to express political expression. Within the range of organisations that I have just described, under these reforms the only organisation of the three examples that I gave that would be constrained in its use of membership affiliations in relation to its political campaign activity is my party.

What this bill does — and it has proved to be a very tricky thing to do — is create a regime for your political party, my political party and any other political party — the Greens are in the room at this minute and the National Party is here too. Your members' money, in terms of their membership affiliation dues that are derived by your organisation, will be used for administrative purposes, not for campaigning purposes. The majority of funding that comes to our party or your party — I am not quite sure what the case is with the Greens or the National Party — comes through the donation stream to support political campaigning activity.

My lengthy answer to your question is that we have not imposed upon any organisation, whether it be our own or anybody else's, a membership base and the entitlement of anybody to join another organisation. Whether it be a political, business, environmental or charitable organisation, people can join and pay their membership fees. In every situation other than registered political parties those organisations would be able to use their membership affiliation subscription to pay for their political campaigning. Registered political parties will not be able to use that source of revenue for that purpose. Any union, in the case of the Australian Labor Party, that donates significantly to the Labor Party during the course of election campaign will be denied that opportunity; it will be limited to \$4000.

**Mr Rich-Phillips** — As a donation?

**Mr JENNINGS** — As a donation, yes. There cannot be more than \$4000 that comes from any of these organisations that will actually support your political campaign.

**Mr RICH-PHILLIPS** — Thank you, Minister, but the starting point for this discussion was influence, and the perception of purchasing influence. I am not sure how you draw a distinction between funding that can flow in this case from affiliation fees to be only used for administrative purposes versus funding that can flow for campaign purposes. The whole discussion around why you are seeking to put in place a donation cap is around community perceptions of influence. So how is there a distinction between a union contributing \$100 000 to the Labor Party that can only be used for administrative purposes, involving a different perception of influence on the Labor Party and its members of Parliament, versus \$100 000 from a union that could be used for campaigning purposes?

**Mr JENNINGS** — The reason being is that it goes back to the freedom of association question. In our case we are picking on the Labor Party because it is easier for us to do so, and I am resisting the temptation to come back the other way. What I am saying to you is that in relation to the history of the Labor Party, any expectation that the Labor Party is going to sever its connection with the trade union movement cannot be an instrument of this reform in my view. Whether it is proposed by the current government or any government, the right of association of the labour movement to participate within the Labor Party is an enduring relationship.

It is not always one-way traffic in relation to influence. I have been part of governments that sometimes are getting on well with unions and sometimes are not. Despite the construction that political commentary often leads to, it is not necessarily linear and one-way traffic in relation to how the Labor Party in Parliament or government operates. That is certainly something that I have had to live with. But the perception that unions are purchasing influence is not the nature of the membership relationship, the affiliation relationship or the decision-making process of the Labor Party.

There is a scalable item in relation to influence because we are talking about participation in an organisation, the organisation being the Labor Party. We are saying that apart from an enduring relationship the ability to scale up financial resources and influence organisations at the time of elections, and the perception that election commitments may be purchased through political donations at that time, is the issue that the government is effectively responding to by putting the partition

between the way in which union money is spent. That is conceptually the way this bill underpins the enduring relationship of the ALP with unions, by quarantining that money for the functioning of the party process and not being subjected to influence at a particular time in the electoral cycle through access to campaign funding.

**Business interrupted pursuant to standing orders.**

**Sitting extended pursuant to standing orders.**

**Committee resumed.**

**Mr RICH-PHILLIPS** — Minister, this is essentially about perceptions. That was the starting point. That is why you are doing this. Isn't a dollar contributed a dollar contributed, whether it goes in the administrative pot or it goes in the campaign pot? If it goes in the administrative pot, that is one dollar less that the party has to spend from its own resources on administration and can therefore spend on campaigning. Given the concern is about public perception of the purchase of influence, how can you say there is a distinction in the public mind simply by saying it is quarantined to admin?

**Mr JENNINGS** — The vast majority of people in the community will not be mindful of the complexities of this legislation — they will not be; okay? — so if they have that perception, they will have that perception. So there is not much I can do about that perception. It would be a preloaded perception. In fact members of your party have that preloaded perception. All of us have connections; all of us have memberships. I do not intend to use the committee stage to interrogate you — and it would be inappropriate for me to do so — in relation to Liberal Party branch member structures or the influence that may be bought in terms of the membership fees of the Liberal Party. I am not going to ask you; I am not going to entertain it, but I could. The same argument can be mounted. There is nothing that I know that actually limits what your membership fees may be in relation to whether it is a business coterie or whether it is an individual in relation to joining your organisation.

Certainly in relation to the matter that we will be dealing with later in relation to clause 43, there has been recognition that sources of income can come for political parties in different ways or they may control assets in a certain way that need to be accommodated. The government has tried to be mindful of that and deal with that fairly, but if ultimately it is a question of whether there is an enduring perception in the form that you have put, it is impossible for me to actually satisfy it unless the Labor Party severs its connection with the

labour movement, which is in fact, as you could imagine, impossible to do, just as it is impossible for you to separate your party from other interests. I will not put a label on what they might be, but there are other interests, other sources of income and assets that are controlled that have connection to your party. The community will form its view about what is influencing more — one or the other — and they will make that judgement call of other parties too.

**Mr RICH-PHILLIPS** — Thanks, Minister. I guess that goes to the fundamental question, though, of how you perceive that relationship. You talk about the membership of the Liberal Party. Now, the membership of the Liberal Party are natural persons, all of them; there is no corporate membership in the Liberal Party.

**Mr Jennings** — But there are coteries, aren't there?

**Mr RICH-PHILLIPS** — I assume the minister is referring to the Cormack Foundation and there are other entities owned by the Liberal Party in the same way as the Labor Party owns entities, but the Labor Party does not own the unions. The perception is they are not one and the same. I guess what I am saying to the minister is that the government's perception is that they are one and the same, that the affiliations of the trade unions are seen in the same way as the individual members of the Liberal Party. Is that the proposition that we are being asked to accept in this construction?

**Mr JENNINGS** — Probably for simplicity I should just say yes.

**Dr RATNAM** — Just a question, firstly, about whether the government has consulted with the Australian Charities and Not-for-profits Commission, which regulates charities, to ensure the bill is consistent with best practice charities regulation?

**Mr JENNINGS** — I am going to go and talk to somebody about that. The answer to your question is: indirectly by having protracted conversations with people who are regulated by them.

**Dr RATNAM** — Thank you, Minister. I have got a couple of questions, and there are a couple on later clauses relating to charities, particularly the impact of this bill, so we would encourage the government to have those consultations because of the number of concerns that we have. Will the government ensure that the VEC consults with charities concerned by this legislation and considers their feedback on the best means of achieving the objectives of the bill?

**Mr JENNINGS** — I know that you have been here through all the committee, so I will not actually go back over the terrain that I have travelled. We actually understand that there are some rights of freedom of expression, membership-based organisations and charitable organisations in relation to being able to use the sources of revenue that they derive from their members or through donations. The vast majority of these organisations will be associated with social causes or environmental causes or community life. The vast majority of their campaigning effort will be in that form. That will be not affected by this piece of legislation until the point in time where they either choose to spend money, have a campaign which is designed to convey to a broader audience — not their members but a broader audience — what is their preference in relation to who should be elected at an election. That could be at a candidate or a party level.

For all of the electoral cycle the only way in which that will be measured in terms of what is political expenditure that they may incur will be: do they say, ‘Do or don’t vote for candidate X’ or ‘Do or don’t vote for party Y’ at the next election? Otherwise, if they just say, ‘Candidate X? Gee, they’ve let the side down. Gee, they haven’t done what they’re meant to do’ and they say that right up until 1 October before an election, they will not be incurring political expenditure because it will be just freedom of expression. If they do say, ‘Gee, candidate X has let the party down. Gee, candidate X? Really, candidate X? Why would you?’, because it is put in the context of an election campaign it is implying that the voters would infer that you are making a recommendation about their candidacy. Only in that time would it count as being political expenditure.

That is something that organisations will take some time to come to terms with. There will need to be information and a regulatory environment and guidance that is provided by the electoral commission to assist these organisations to be able to acquit what are their very narrow obligations under the bill. Under the amendments that I have circulated it is only if they have incurred more than \$4000 in doing that political expenditure activity in the narrow form that I have described it.

In terms of what the effect of that is on those organisations, there is a recommended review that will take place after the first election that this applies to, and that is one part of my amendments, to actually consider what the effect is on those organisations and to recommend if there are adverse outcomes for those organisations how we might remedy them in the future.

**Dr RATNAM** — Thank you, Minister, for the clarification. I will take up a few more questions on later clauses, more specifically related to charities. My final question on this clause is that in my second-reading speech I raised concerns about how this Parliament treats smaller political parties and how the legislation before us entrenches the advantage of the big old parties. One of the other ways that Parliament entrenches old parties is the definition of a third party, which currently is 11 members. This is anachronistic and very out of date compared to the definitions in other jurisdictions around the nation — as I am sure you are aware — including federally, where the standard for a third party is five members. Will the minister commit to fixing this anomaly?

**Mr JENNINGS** — That is in the Parliament, I have just realised. I was actually thinking of third parties in the broader context of this piece of —

**Mr Rich-Phillips** interjected.

**Mr JENNINGS** — No. I think there is another bill that that may relate to. I recognise that this piece of legislation does start organising resources that come to parliamentary parties in this Parliament on the basis of the threshold of one to five members and then another regime that applies beyond that. It certainly does imply, if nothing else, that we are moving to recognising that once you are above the threshold of five in fact there may be a different form of party recognition. I hear and note your point. I think it is a valid consideration and I will look to the ways in which that issue might be addressed.

**Mr RICH-PHILLIPS** — Minister, I was not going to raise this now but following on from Dr Ratnam’s question around political expenditure I will. It relates to the typical mail pieces that the good people of Victoria receive from their members of Parliament. These are not all state pieces and they are not all sent by government members either. What I am seeking to understand is the way in which these mail pieces would fall within the definition of political expenditure, being expenditure designed to influence a vote. I have a number of pieces. This one is from Mr Leane: ‘Jubilee Park upgrade’.

**Mr Jennings** — It’s a pity you didn’t start with one of your own.

**Mr RICH-PHILLIPS** — I will come back — next one. ‘Jubilee Park upgrade: Andrews Labor government is upgrading Jubilee Park in Ringwood for community sports, including local and elite cricket’. It uses collateral that is very similar to party collateral.

Does material like this fall within the definition of political expenditure — material designed to influence a vote?

**Mr Leane** — Informing the community.

**Mr RICH-PHILLIPS** — Mr Leane interjects that it is informing the community. What is the distinction between informing the community and influencing, where you have, as I said, an overlap with collateral layouts that parties may use, clearly a link? Obviously this material is within the scope of guidelines laid down by the Parliament and funded through electorate office budgets. If it falls, inadvertently or otherwise, within the scope of political expenditure in this bill, that creates a number of problems insofar as it is currently funded through electorate office budgets and not through a state campaign account. You would appreciate the consequences of that. What I am seeking to understand in the context of the types of material that are distributed by members of Parliament is how that fits within the bill's definition of political expenditure.

**Mr JENNINGS** — To answer your question, I would want to have harmony between this piece of legislation and the way in which parliamentary resources are expended and the use of public money for information purposes or a variety of other matters as distinct from giving preference to a vote. The same rule should apply in my view to both situations. You did not read all the text on the DL, but that is okay. I do not need to read it, I will just respond. If it had said, 'Vote Labor at the next election', then absolutely and clearly it is political expenditure and would not be allowed. There is no doubt about that. It would be political expenditure under the terms of this bill, and in my view it should be political expenditure in relation to the guidelines that are in place. In relation to that matter, in terms of the current regime, I have for a long period of time tried to play my role in providing that clarity within the Parliament. At the moment I am not the arbiter of the guidelines. In fact they are not issued by me.

**Mr Rich-Phillips** — 'At the moment', you said.

**Mr JENNINGS** — It is my intention for the definition of political expenditure to be clearer once and for all for everyone's benefit.

**Mrs Peulich** — So does that comply?

**Mr JENNINGS** — Mr Rich-Phillips says it complies with the guidelines as it is. That is what he says, and I think on the basis of what he described to me it does. If that same material was distributed during

the course of the election campaign, and it might actually say —

**Mr Rich-Phillips** interjected.

**Mr JENNINGS** — Then it becomes a question: is it actually being designed to be campaigning collateral in an election context?

**Mrs Peulich** — Who is going to answer that?

**Mr JENNINGS** — The VEC determines it.

**Mrs Peulich** — A court might need to determine it.

**Mr JENNINGS** — I think that is very unlikely on the basis of the precedent. In fact I just want you to know that I am actually being a willing participant in this. I did not bring in the collateral that your party actually has, which in fact would be equally as interesting. That one might be more troublesome to start off with; that one might fall foul of the guidelines as it is, let alone whether it is political expenditure.

**Mr Rich-Phillips** interjected.

**Mr JENNINGS** — Yes, exactly. From my vantage point, you would want the same rule applying from this piece of legislation and the parliamentary guidelines and the way in which they are underpinned by the legislation that underpins what Parliament does; that is my intention.

**Mr RICH-PHILLIPS** — Thank you, Minister. I take you to another example that goes a bit further than the flyer that Mr Leane put out about Jubilee Park; that is the one I showed you, which the house would not have seen. Its headline is 'Stop Labor's retirement tax'; it is a federal one, but a Victorian equivalent could be, 'Stop Labor's injecting facility'. Would that be political expenditure under the provisions of the bill?

**Mr JENNINGS** — We are contaminating the issue by talking about parliamentary material.

**Mr Rich-Phillips** — We are, yes, but potentially so, because it potentially overlaps.

**Mr JENNINGS** — They do, but regardless of whether it is in Parliament or wherever it comes from, whatever its source is, whether it is actually a small organisation or whether it is the Liberal Party, the complicating factor that you are trying to bring in to the discussion is in fact whether it is actually paid for by parliamentary budgets, which is a factor that is currently not assessed by me. It is actually assessed by the Department of Parliamentary Services in relation to whether it complies with the guidelines, and then

basically ultimately it is the decision of the Presiding Officers and Parliamentary Services. That is how it works currently, so that is how those matters are dealt with. The answer to your question in relation to parliamentary expenditure is actually acquitted within the Parliament, not by me.

In relation to this legislation, this material that you have just described and the question that you asked based upon that material, if you say, 'Stop the injecting facility', it is not political expenditure if that is all it says, but it potentially could be if it says this between 1 October and polling day. If it is actually distributed with the clear intention of influencing voters' voting intentions in that context, then it is most likely to be political expenditure, but that would be determined by the electoral commission; so that is the pivot point. It is not to limit freedom of expression; it is actually saying, 'Is it used in a political context to direct a vote?', and if it comes in the last two months of an election it is deemed to be acting in that fashion unless you are able to pretty clearly prove otherwise.

**Mr RICH-PHILLIPS** — Thank you, Minister. If it specifically said, 'Stop Labor's injecting facility' — it named the party — would your view be the same?

**Mr JENNINGS** — Yes.

**Mr RICH-PHILLIPS** — And in the framework before 1 October, how does it apply in that context?

**Mr JENNINGS** — Before 1 October it is that outcome — so if it says do not vote for them or put them last, then that is political expenditure.

**Mrs PEULICH** — I have one question further to that. The VEC rules are quite different to those of the Australian Electoral Commission (AEC), where it requires all material that will influence a voter to be authorised irrespective of whether it is within the last month or at any period of time. So clearly there is no synergy between your response to Mr Gordon Rich-Phillips's question and the way that the VEC operates, and they would deem — because I have referred material — that material to be political. So do you see that those distinctions are somewhat arbitrary?

**Mr JENNINGS** — At one level everything could always be argued to be arbitrary, but your question in relation to the VEC's current practice is that the VEC's practice will change in accordance with the law. If and when the law gets passed, they will be guided by this law to augment their law as it pre-existed.

**Mrs PEULICH** — Just further to that, following that reasoning, it then therefore implies that material

that is distributed prior to the last month will no longer have to be authorised. Is that correct? That is what you are inferring. If it is deemed not to be political material, it therefore will not need to be authorised. Is that correct?

**Mr JENNINGS** — It is a bit of a chicken and egg.

**Mrs Peulich** — No.

**Mr JENNINGS** — Well, it is a chicken and egg in relation to its content. If its content is saying, 'Don't vote for candidate X at the next election' —

**Mrs Peulich** — It doesn't need to say it.

**Mr JENNINGS** — I know it does not need to say it, but if it does, then it is political expenditure. If it does not, then it is not counted as political expenditure for the purposes of this bill.

**Mrs PEULICH** — So under the proposed legislation, if this were put out before the last month, then it would not be deemed to be political expenditure. Is that correct?

**Mr JENNINGS** — I am relying on the memory of what this material says, and we have not actually looked at it in its completeness. In the form that it actually says 'bad policy outcome' associated with an individual, no, it is not.

**Mrs PEULICH** — Then following through, you have already said that the VEC will need to amend its operating rules to align with the legislation, so deducing from your response it means that material that is distributed prior, that may indeed at the moment require authorisation under the VEC rules, would no longer require authorisation.

**Mr JENNINGS** — I think we are confusing the issues, but I am just going to talk to the people over there.

I am not quite sure whether it is down to me that we have gone down this path, but the authorisation provisions in the bill are maintained. The issue that really is affected by this legislation is who has to account for the payment associated with different material that may be published for what purpose. So the authorisation in terms of any material that comes within the scope of the authorisation provision in the act, in terms of the campaigning material that is associated with political parties, will need to be maintained.

The purpose of the additional requirements sits consistently with what the intention is. If any

organisation spends more than what will be \$4000 in terms of political campaign expenditure, then they will need to acknowledge where it has come from and account for it to the VEC. The authorisation is one way of guaranteeing that you know the authorship of that material is maintained, so the purpose of this is so that you know who has spent money on political campaigning will not be invisible to the public eye.

**Mrs PEULICH** — Under section 4 of the Electoral Act 2002 the definition of ‘electoral matter’ is:

- (1) In this Act, *electoral matter* means matter which is intended or likely to affect voting in an election.
- (2) Without limiting the generality of the definition of *electoral matter*, matter is to be taken to be intended or likely to affect voting in an election if it contains an express or implicit reference to, or comment on —
  - (a) the election; or
  - (b) the Government, the Opposition, a previous Government or a previous Opposition, of the State; or
  - (c) the Government, the Opposition, a previous Government ...
  - (e) a political party, a branch or division of a political party or a candidate in the election; or
  - (f) an issue submitted to, or otherwise before, the electors in connection with the election.

And it is not confined to that last month when the writs are issued, so will you have to change this legislation in order to make this operational?

**Mr JENNINGS** — Well, we are changing the legislation. That is exactly what we are doing, but not that clause.

**Mrs Peulich** — You are not changing it?

**Mr JENNINGS** — No.

**Mr RICH-PHILLIPS** — Minister, can I ask you about political expenditure in the context of third-party campaigners and the definition of expenditure and what is captured by expenditure? The definitions with respect to gifts make it clear that voluntary labour contributed to a political party does not fall within the definition of a gift. There is not a similar carve-out, explicitly at least, for voluntary labour in the context of political expenditure. So can you clarify the status of a voluntary labour effort in a third-party campaigning context and whether that would contribute towards an assessment of a dollar value of campaigning activity by a third party?

**Mr JENNINGS** — The critical test is what is the level of activity that is directing a vote. So what is the campaign expenditure associated with the campaign design, the collateral or the action that is deemed to be directing a vote? That is the critical test in that regard.

**Mr RICH-PHILLIPS** — Thank you, Minister. Assuming it is directing a vote — that is not quite where the question was going — you have got a third-party campaigner in a membership-based organisation that has 100 members engaged on a campaign to direct a vote one way or the other. Do the activities of those 100 volunteers from the membership organisation count within political expenditure for the purposes of that third-party organisation?

**Mr JENNINGS** — I know that I answered a different question to the one you asked, but the answer I gave was the relevant factor in relation to what is covered by political expenditure. Is it in fact campaign coordination if those volunteers may actually be paid for? Is it the collateral that they may distribute? That would have a cost apportioned to it. If it is voluntary labour, then voluntary labour does not fall within the context of a gift.

**Mr RICH-PHILLIPS** — Yes, that was my point. Voluntary labour does not fall within the definition of a gift. We are not talking about a gift. We are talking about campaigning activity by a third party, and the membership of that third party is devoting its voluntary labour to try to influence a vote, so it is political expenditure in the sense that it is trying to shift a vote. They might be standing on railway station platforms day in, day out distributing flyers to try to shift a vote. So they are trying to shift a vote —

**Mr JENNINGS** — Yes. So all of Mr Davis’s friends know their voluntary labour is not costed.

**Mr RICH-PHILLIPS** — Because their labour is not a gift —

**Mr JENNINGS** — It is not a gift. What they are just doing is in fact participating in community life, and there is no value apportioned to what they are doing.

**The ACTING PRESIDENT (Mr Elasmarr)** — I do not think it is helping Hansard doing it this way, so do you want more explanation? I can allow the minister to —

**Mr RICH-PHILLIPS** — In the context of —

**Mr Jennings** — Unfortunately I gave a bad example for him.

**Mr RICH-PHILLIPS** — I do not know what you mean, Minister. In the context of a third party directing political activity, it has rallied its members — ‘We want to campaign against X, a personal issue, to shift a vote’ — it marshals 100 of its members to stand on station platforms and hand out flyers, the voluntary labour does not add to the assessed value of the third-party campaign as political expenditure.

**Mr JENNINGS** — No.

**Clause agreed to.**

## Clause 2

**The ACTING PRESIDENT (Mr Elasmr)** — My understanding is that the government amendments 1 to 4 are on clause 2, and they are a test for amendments 26, 28, 31, 35, 45 and 47.

**Mr JENNINGS** — I move:

1. Clause 2, page 2, line 5, after “Parts” insert “2.”.
2. Clause 2, page 2, line 8, omit all words and expressions on this line and insert—  

“(2) Section 47(2) comes into operation on 1 August 2018.”.
3. Clause 2, page 2, line 9, after “(3)” insert “Part 4 (except section 47(2)), and”.
4. Clause 2, page 2, lines 11 to 14, omit all words and expressions on these lines.

As I foreshadowed when summing up the second-reading debate, there are a number of consequential amendments that need to be moved concerning the operative date of these reforms, given that the original intention was for the bill to have effect from 1 July. All of those amendments are shifting the operative date as a consequence of the deferral and the implementation of the accounting requirements in relation to the establishment of a state campaign account, which were deemed not required before 25 November.

**Mr RICH-PHILLIPS** — Minister, we are obviously only seeing these amendments from an hour ago when you circulated them. Are you able to step through them individually? Amendment 2 separates out section 47(2), which is not currently separated out to commence on 1 August. Can you assist the committee, please, by just stepping through the individual impacts of those amendments? I accept that they shift operative dates, but it is not simply a case of jumping everything a month along. There are some individual impacts there.

**Mr JENNINGS** — I tried to actually give an overview of the difference in how they apply. Amendment 1 provides for the electoral process reforms in part 2 of the bill to commence on the day after the bill receives royal assent. If royal assent is given on or before 31 July, the VEC will have sufficient time to implement the reforms in time for the 2018 state election following the passage of the bill. That is the effect of amendment 1, so our interest is actually to proclaim it at the earliest opportunity. In relation to amendment 2, this amendment provides for the administrative expenditure funding provisions under section 47(2) to commence on 1 August 2018. What that means is the answer to the very first question you asked me about administrative funding and whether it actually starts from 1 July is: no, we take it back to being 1 August because in fact we are not going to make that administrative payment retrospective. So that is the effect of amendment 2.

In relation to amendment 3, again we had an expectation, and this was part of the compliance challenge for registered political parties but also associated entities and third parties, about establishing a state campaign account by 1 July when in fact there is no real reason for them to do so because none of their expenditure in the lead-up to the 2018 election is required to be spent from that account, only subsequently. Now it gives relief to political parties, associated entities and third parties to be able to establish their financial arrangements and to have them in place to apply from 25 November.

Amendment 4 is a consequential amendment related to the first item, which means the application of part 2 of the bill.

**Mr RICH-PHILLIPS** — With the delay in the payment of funding for administrative expenditure to 1 August, does that consequently affect the quantum? Is the pro rata reduced by one month, or is it simply delayed by one month?

**Mr JENNINGS** — Yes, it is reduced by one month. The Parliament saved itself, on behalf of the people, a month’s allocation.

**Amendments agreed to; amended clause agreed to; clauses 3 to 5 agreed to.**

## Clause 6

**Mr RICH-PHILLIPS** — Minister, clause 6 is the change to identification requirements for enrolment. Can you just clarify if they are fully consistent with the recommendations of the Electoral Matters Committee report?

**Mr JENNINGS** — Yes, they are.

**Clause agreed to; clause 7 agreed to.**

**Clause 8**

**Mr JENNINGS** — I move:

5. Clause 8, page 5, line 6, after “made” insert “during the period commencing 115 days before the day of the 2018 general election resulting from the expiration of the Assembly, or”.
6. Clause 8, page 5, line 8, omit “a” and insert “any other”.

Amendments 5 and 6 to clause 8 relate to the time frames within which political parties will have to apply for registration — on or before 115 days before the 2018 election. Originally the design of the scheme was that the parties were obliged to undertake that 120 days out from the election and then have a predictable time frame by which the electoral commission would determine the eligibility criteria and the membership details of those organisations to enable clarity in relation to the time frame by which political parties could enter into a campaign.

We spent time, based upon some recommendations that came out of the Electoral Matters Committee, trying to get some rigour into a system that had led to the untimely registration of parties in the lead-up to the 2014 election. This scheme was designed to resolve matters as much as possible 90 days out from an election rather than what had been the case in the experience of 2014. Amendment 6 is a consequential amendment. These are required because of the variation of the operative date of the bill.

**Mr RICH-PHILLIPS** — Thanks, Minister. That goes partially to the question I had on this clause. In its report on the 2014 election the VEC indicated that a substantial number of the parties which were registered for the 2014 election were in fact registered within that final four months, as you indicated. In fact parties which have members now represented in this Parliament were registered within that time frame. I have got two questions here. Firstly, what advisory approach is the VEC taking to highlight this change, given the previous precedent of parties registering late in the piece? I appreciate why the Electoral Matters Committee and why the VEC no doubt want a longer time frame. But its potential to have a significant impact on minor parties considering registering, given past practice, is significant. Likewise, with the change in the anticipated start date of the bill, the need to register following the passage of the bill will almost be instant. If the bill passes in the time frame anticipated with the dates you have set, parties seeking to register

will need effectively to apply straightaway. How is that going to be managed and communicated to potential parties and to previous parties that were registered and are now perhaps unregistered to ensure we do not see an exclusion of minor parties who, based on past practice, believe they have a much longer window to register prior to this year’s election?

**Mr JENNINGS** — I know because of ongoing dialogue that we have had with the electoral commission that they recognise that there would be an obligation for them to communicate effectively either through existing registered parties or by publication of the reporting requirement. They are not reluctant to publish campaign and information guidance — and good on them for doing so. In fact one of the things that they are enthusiastic about — and I am grateful for that — is to broadcast in media outlets what are either voter or party registration requirements. In this instance I am certain, although I cannot actually hand-on-heart say, and my best guess is that there is an ad that has already been prepared — the copy has already been prepared, waiting for this bill if and when it passes — and is ready to be placed to communicate that, and correspondence would be conveyed to political parties. As I say, I am pretty certain that there would be recognition by the VEC. I can confidently say that they will be very responsive to your concern and what might be the acuity of the time frame, so they would be quick out of the blocks.

**Mr RICH-PHILLIPS** — Thank you, Minister. What is your understanding of how wide that communication is? You indicated an ad of some form and you said the VEC will talk to parties. Obviously a party by definition is registered. The implications for this are for groups that are looking to register and perhaps those who were previously registered and have fallen off. How widely is the VEC looking to communicate this change, because as I said, based on the historic time line, it could have a significant impact on a number of parties. Is it a widespread campaign? Are they looking to talk to community groups or distribute this legislative change through community groups across the state?

**Mr JENNINGS** — I think Mr Rich-Phillips and I could have made up the answer to this ourselves. There have been activities already taken in anticipation in the lead-up to the election in any case, alerting parties of the need to register. There has been ongoing conversation, and I understand that there have been conversations and information flowing to community organisations who may see themselves as being registered for this purpose. I am confidently advised that my assumption and assertion that there would be



media placement of material to broaden the knowledge of this is definitely envisaged.

**Amendments agreed to; amended clause agreed to; clauses 9 and 10 agreed to.**

#### Clause 11

**Mr RICH-PHILLIPS** — Minister, clause 11 reduces the time frame for the process when you put through an application for registration from 45 days to 30 days. Can you outline what preparations have been done with the VEC or the acceptability of this change to the VEC to give practical effect to this reduction?

**Mr JENNINGS** — One of the very early discussions that I had with the VEC in relation to this when we first had a discussion about the Electoral Matters Committee report was to work through with them what would be their capacity and what would be their ability not only, in a sense, to validate membership lists but to adopt a practice that was based upon not entrapment but in fact identification of real-time concerns about membership lists that may be conveyed to parties during that 30-day consideration, so the 30 days did not run out and then all of a sudden — bang! — bad news for the political party because in fact they have run out of time. The VEC actually knows that there should be an iterative process in terms of concerns about the validity of the registration, which would be conveyed to political parties as it is identified within that period, and they are committed to doing that.

**Clause agreed to; clauses 12 and 13 agreed to.**

#### Clause 14

**Mr JENNINGS** — I move:

7. Clause 14, page 8, line 10, after “made” insert “during the period commencing 115 days before the day of the 2018 general election resulting from the expiration of the Assembly, or”.
8. Clause 14, page 8, line 11, omit “a” and insert “any other”.

Those amendments in my name are the requirements on political parties to comply with the amendments we discussed just previously and to make sure that it is effectively the deadline by which parties would acquit their responsibility in relation to the provisions and the process that we just outlined.

**Amendments agreed to; amended clause agreed to.**

#### Clause 15

**Mr RICH-PHILLIPS** — Clause 15 is a new provision with respect to by-elections for vacancies which occur in the Assembly. It provides the Speaker with the discretion not to trigger a by-election and not to issue a writ for a by-election if that vacancy occurs after 30 June, obviously with an election triggered for the end of November. What is the basis of selecting that time frame of 30 June? Obviously there is some merit in providing discretion to the Speaker, but that is a considerably large time frame for the Speaker to have that discretion. What was the basis of choosing that time period?

**Mr JENNINGS** — The reason relates to how the parliamentary calendar works and to the sequencing and discretion that is available within the electoral process as currently described. In the current requirements, if a vacancy exists, the Speaker has the discretion to call an election, from memory, at the earliest time within 28 days, and the longest period is about 90 days, so there is quite a bit of discretion in relation to how soon an election may be held. But it is 28 days at the earliest, and that would require an immediate decision to be made. So we are talking about the end of June.

We are now saying that the earliest opportunity that an election may be held is around the end of July, and then it would be a week or so before a member would be proclaimed and potentially join the Parliament. What we are talking about is that in the best-case scenario a member is not going to join the Parliament until the middle of July. That is the quickest scenario. If that occurred during the course of this year, then a member may be eligible to sit in the Assembly for a maximum of 12 days. That is the best-case scenario. The worst-case scenario is that they may not even sit at all in the Parliament. So the reason why the discretion is available is that it depends upon the number of sitting days that may be scheduled after 30 June and the desirability of electing a member to Parliament when they may only sit in Parliament for a handful of days in the lead-up to the election.

**Mr RICH-PHILLIPS** — Minister, I can understand the rationale for that provision, as you have articulated it. However, it does provide the Speaker with the capacity to make strategic decisions as to the filling of a vacancy. The point you make about the number of sitting days remaining is a valid one. Why has the government elected not to tie the filling of a vacancy to the number of remaining scheduled sitting days so that it is closer and is not subject potentially to discretion being used for perhaps undesirable purposes?

**Mr JENNINGS** — The real answer is that it is a combination of the clarity and the definition of the time frame that I received in departmental advice. That is one, and that is valid in its own right. I have to say to you that it was a view discussed with a range of political parties, and on balance a range of political parties believed that that was a reasonable way in which the matter should be addressed.

**Clause agreed to; clauses 16 to 23 agreed to.**

**Business interrupted pursuant to standing orders.**

**Mr JENNINGS** (Special Minister of State)  
(18:00) — I move:

That the sitting be extended.

**House divided on motion:**

*Ayes, 21*

Bourman, Mr	Patten, Ms
Dalidakis, Mr	Pennicuik, Ms
Dunn, Ms	Pulford, Ms
Eideh, Mr	Ratnam, Dr
Elasmar, Mr	Shing, Ms
Gepp, Mr	Somyurek, Mr
Jennings, Mr	Springle, Ms
Leane, Mr ( <i>Teller</i> )	Symes, Ms
Melhem, Mr	Tierney, Ms
Mikakos, Ms	Truong, Ms ( <i>Teller</i> )
Mulino, Mr	

*Noes, 18*

Atkinson, Mr	Morris, Mr
Bath, Ms	O'Donohue, Mr
Carling-Jenkins, Dr	Ondarchie, Mr
Crozier, Ms	O'Sullivan, Mr
Dalla-Riva, Mr	Peulich, Mrs ( <i>Teller</i> )
Davis, Mr	Purcell, Mr
Finn, Mr	Ramsay, Mr ( <i>Teller</i> )
Fitzherbert, Ms	Rich-Phillips, Mr
Lovell, Ms	Wooldridge, Ms

**Motion agreed to.**

**Committee resumed.**

**Clause 24**

**Mr JENNINGS** — I move:

9. Clause 24, page 13, line 21, after this line insert—

‘(2) For section 101(2)(c) of the **Electoral Act 2002** substitute—

“(c) must not be physically attached to, or form part of, other written material issued by a person or organisation other than the Commission; and”.’.

The effect of this amendment is that political parties, candidates and persons other than the VEC will no longer be able to distribute postal vote application forms as part of their own campaign material to voters.

**Mr RICH-PHILLIPS** — Minister, clause 24 of the bill provides for the lodging of electronic applications for postal votes. As you would appreciate, postal votes are a significantly growing proportion of votes cast, and pre-poll votes more generally are a significant component of votes cast. More than a third of votes, certainly for 2014, were cast prior to the general election day. Clause 24 inserts the provisions to apply electronically for a postal vote application. My recollection arises from the Electoral Matters Committee report. What discussions have been had with the Victorian Electoral Commission around the implementation of electronic applications for postal vote?

**Mr JENNINGS** — Thank you, Mr Rich-Phillips, for the question. The VEC have embraced this with a degree of enthusiasm in terms of their ability to implement a validation process. From their vantage point it leads to greater online capability. The VEC is interested in online capability of the registration and validation of either voter ID or issuing votes, ultimately, from online. That is the ultimate intention of the VEC, so in terms of the enthusiasm that they embrace it with, I can assure you that they embrace it with determination, and they are happy to put in resources, technology and a method to enable this to occur. They are confident that they have sufficient protections in relation to voter ID, mechanisms of various cross-referencing, whether it be mobile phone or other forms of identification of voters, to enable this to occur effectively and reliably. They are ready, willing and able to do it.

At the same time I think we have to acknowledge that, whilst you are quite right to actually say a lot of people now have got to the stage of applying for postal votes or availing themselves of early voting, I think the real escalation in the last couple of election cycles has been for early voting rather than postal votes, and in fact the reliability of the postal service in relation to the return of ballot papers to the VEC — the performance of the postal system — has deteriorated over time and has led to some concerns about the time for which the ballot should stay effectively open in relation to counting postal votes. So there is a tension there between the desirability of postal votes or other forms of early voting and alternatively attendance voting, and the VEC is alive to what is the consumer-led desire for greater flexibility.

**Mr RICH-PHILLIPS** — Minister, does the VEC anticipate an increase in the use of postal votes as a consequence of online applications being made available?

**Mr JENNINGS** — In terms of their projection, I am not certain whether they actually have quantified what they believe to be the impact of this initiative. The information that is available to me, consistent with my memory of it and my sense of it, is that the VEC predict that over time there will be a diminishing number of postal votes issued and early voting will become far more prevalent, as it actually has become in the last two elections.

**Mr RICH-PHILLIPS** — Minister, you raised the issue of the response to postal voting — the delayed response — through the postal service and the increased time frame for votes to be returned to the VEC. Why is the government then seeking to reduce the time frame in which votes can be received by the VEC for inclusion in the count, given the deterioration of the postal service?

**Mr JENNINGS** — The primary driver and the mechanism that is available in this bill to change the way in which postal votes will be addressed and counted is in fact the community's expectation that the result is declared at the earliest opportunity. As you would be aware we have occasions where governments change hands in circumstances where a lot of polls are not declared. They are assumed to be declared and we shift governments on the basis of the assumption of the poll being declared, but it is not declared. I just think it is desirable as a public policy issue that we narrow that time frame so that the community can have greater confidence that in fact the election result is as it purports to be and the resolution of the poll is as quick as possible. The VEC, I have to say to you, have been rigorous in wanting to make sure that that time frame is not truncated as severely as I might have originally intended, so in fact what is here in the bill is a concession to the VEC and other parties that made representations on that issue.

**Mr RICH-PHILLIPS** — Minister, obviously the Victorian community want a quick determination of an electoral outcome but equally important, and arguably more important, is to ensure that the will of the Victorian people is reflected in the count. Indeed the opening paragraph of the second-reading speech refers to making the electoral system more accessible. So there is a tension between getting a result and ensuring that all votes are included. How was that balance struck in determining this time frame in the bill? You

indicated the VEC had a different view if I understand correctly?

**Mr JENNINGS** — By the end, the VEC's view prevailed, as indeed other parties' views prevailed.

**Mr RICH-PHILLIPS** — Thank you, Minister. Does the VEC have an estimate of how many postal votes will be excluded from the count based on reducing the time frame? Obviously they will know, based on historical returns, how many have been returned outside the proposed window. Approximately how many votes of the 2.5 million-odd cast in Victoria would be excluded as a consequence of this change?

**Mr JENNINGS** — Well, it is less than 1 per cent.

**Mr RICH-PHILLIPS** — I hope so. That is not a small amount.

**Mr JENNINGS** — Yes, but in fact it becomes a very small amount in terms of whether it is likely in those situations. There would always be potential for a case of a disputed return, and the VEC would not be making a declaration. They are able, under this legislation, to make a determination on the postmark date and the reliability of the postmark date. We have now given them effectively a week after the ballot closes, and even then it is at their discretion as to whether it is a longer period of time. Under those circumstances very few voters would be disenfranchised as a consequence of this. Ultimately at the end of the day, it is a risk that actually exists for those who rely on the postal system. I think the VEC and we all would be obliged to try to provide the advice to those who want to avail themselves of a postal vote to vote before election day, not to wait to do it on the day or in some cases subsequently. So we are basically saying the postal system has a week after the ballot closes to receive those ballot papers.

**Mr RICH-PHILLIPS** — Minister, you have now moved an amendment to clause 24, which is not material covered in the bill, in the sense of it going in a different direction with respect to postal votes. Can you outline the policy rationale for this amendment you are now bringing to the table?

**Mr JENNINGS** — The policy rationale is consistent with two things; one is the trend of postal vote behaviour, and one is the reliability of it, for the reasons that you and I have just teased out. So those two reasons exist. Plus we extend the logic of what was in the —

**Mrs Peulich** — Acting President, I would just like to draw your attention to the state of the house.

**The ACTING PRESIDENT (Mr Elasmarr)** — We have a quorum, thank you.

**Mr JENNINGS** — The next issue going back to where I was in that story was the recommendations of the Electoral Matters Committee in terms of the logic of allowing for online applications and the extension of the logic to say that historically there have been outcomes that have been measured by electoral results that have preferenced one party over the other in relation to the effectiveness of postal vote campaigning or expenditure that is designed to elicit postal votes. The policy position that the government was persuaded of was that despite the fact that at some point in time in my career in this place Labor would have done better out of postal votes. That might not be the case currently, as was asserted by Mr Davis earlier in his contribution, but in fact there are swings and roundabouts about the reliability of postal votes.

In fact to my understanding there is no great piece of research that actually demonstrates a correlation between the effort and expenditure of the political parties in relation to postal votes and guaranteeing that they get a result at the ballot box. The research that I have actually seen from internal considerations of the Labor Party is that there is not that linear connection between who processes the postal vote and what the ballot box says. So the public policy rationale in this decision is to enable the VEC to be the distributor of postal votes, to make that a direct relationship between the voter and the VEC. Then the connection to political parties is on the basis of the political party's request. The information about who sought a postal vote would be provided to the candidates or political parties that were relevant to that voter.

**Mr RICH-PHILLIPS** — Minister, is it fair to say there is no impediment now to a voter directly engaging with the VEC to obtain a postal vote?

**Mr JENNINGS** — That is right, yes.

**Mr RICH-PHILLIPS** — They do not have to go through a political party?

**Mr JENNINGS** — That is true.

**Mr RICH-PHILLIPS** — So what is the rationale for removing an option that a voter currently has to seek a postal vote through a political party? Why are you seeking to reduce the options that are available to voters?

**Mr JENNINGS** — No, in fact the real issue from my vantage point is: does a voter want to exercise the option of having a postal vote, yes or no? They can take action, and if they are eligible and it is appropriate they receive one, they will receive one from the VEC. Their option to vote, the act of voting, is not impeded by the process that I have described to you. If they choose to contact a political party in relation to that, I am sure the political party would be able to provide them advice on how to obtain that from the VEC. So I am certain that in the sequence that you describe — a voter seeking it out of a political party — that political party will refer them on to ensure their access. But as you perhaps know as much as I do, it is not necessarily that it is generated by the voter that in fact is causing the concern for some people. Mr Davis is one of those people.

**Mr RICH-PHILLIPS** — Minister, the government has introduced this amendment just today. What consultations have you had with the VEC about this particular amendment?

**Mr JENNINGS** — A long time ago, before I started discussing this particular issue with political parties in this place, following the Electoral Matters Committee inquiry I had discussions with the VEC about what would be the practical effect and the implementation challenge that may be associated with this and their view of the appropriateness and the ability to share information in the form that is in the bill. Those conversations took place a long time ago. They were put on hold because of discussions that were had at a political level in relation to the preparation of the bill, and they were reactivated recently.

**Mr RICH-PHILLIPS** — Minister, you indicated with respect to the introduction of online applications for postal votes that the VEC was undertaking some capital works for the systems to facilitate that. Will those new online systems the VEC is implementing be equipped to disseminate the information to political parties that your subsequent amendments will now require them to do?

**Mr JENNINGS** — I believe so. I will have to verify that. But just to augment my answer to you previously, as you know, the gestation of a piece of legislation is a long one in terms of government. The approval in principle that relates to this bill included this item as long as six months ago. The electoral commission was put on notice that the government's intention was this policy direction and this outcome.

**Committee divided on amendment:**

*Ayes, 22*

Bourman, Mr	Patten, Ms
Dalidakis, Mr ( <i>Teller</i> )	Pennicuik, Ms
Dunn, Ms	Pulford, Ms ( <i>Teller</i> )
Eideh, Mr	Ratnam, Dr
Elasmar, Mr	Shing, Ms
Gepp, Mr	Somyurek, Mr
Jennings, Mr	Springle, Ms
Leane, Mr	Symes, Ms
Melhem, Mr	Tierney, Ms
Mikakos, Ms	Truong, Ms
Mulino, Mr	Young, Mr

*Noes, 18*

Atkinson, Mr	Morris, Mr
Bath, Ms ( <i>Teller</i> )	O'Donohue, Mr
Carling-Jenkins, Dr	Ondarchie, Mr
Crozier, Ms	O'Sullivan, Mr
Dalla-Riva, Mr ( <i>Teller</i> )	Peulich, Mrs
Davis, Mr	Purcell, Mr
Finn, Mr	Ramsay, Mr
Fitzherbert, Ms	Rich-Phillips, Mr
Lovell, Ms	Wooldridge, Ms

**Amendment agreed to.**

**Amended clause agreed to.**

**Sitting suspended 6.32 p.m. until 7.38 p.m.**

**Clauses 25 to 27 agreed to.**

**New clause AA**

**Mr JENNINGS** — I move:

10. Insert the following New Clause to follow clause 27—

**‘AA New section 104A inserted and consequential amendments**

(1) After section 104 of the **Electoral Act 2002** insert—

**“104A Information to be provided to registered political parties and candidates**

(1) Subject to subsection (3), the Commission must provide on request, the name and address of any person whose application to vote by post (whether in writing or electronic form) has been accepted under section 104(1) or (1A) to—

- (a) each registered political party; and
- (b) each candidate who is not endorsed by a registered political party who is standing for the region or district in which the address of the person is located—

as soon as practicable after the declaration and ballot-paper has been issued under section 104(1A).

- (2) The Commission may provide the information under subsection (1) electronically or in an electronic form.
- (3) The Commission must not provide particulars of silent electors or itinerant electors under this section.
- (4) A person must not use information provided under subsection (1) for any purpose unless the use is for a purpose in connection with the election.

Penalty: In the case of a natural person, 600 penalty units;

In the case of a body corporate or registered political party, 3000 penalty units.

- (5) A person must not disclose information provided under subsection (1) unless the disclosure is for any purpose in connection with the election.

Penalty: In the case of a natural person, 600 penalty units;

In the case of a body corporate or registered political party, 3000 penalty units.

**Note**

Section 179A applies to an offence against subsection (4) or (5).”.

- (2) In section 37(1) of the **Electoral Act 2002**, for “or 34” substitute “, 34 or 104A”.

- (3) After section 179A(2)(f) of the **Electoral Act 2002** insert—

“(fa) section 104A(4) and (5);”.

This amendment standing in my name is a corollary to the issue that in the government’s view and in terms of the policy outcome we are wanting to not deny political parties the opportunity to receive information if they seek it from the electoral commission about those who have applied for postal votes so that political parties can communicate with them through election material, thus protecting a connection between the political candidates, the parties and the voter, and it would be in response to something that was initiated by the voter.

**Mr RICH-PHILLIPS** — Minister, this gives effect to some of the issues we discussed previously on clause 24 in relation to the capacity of the commission to provide to registered parties and candidates information about voters who have applied for a postal vote. Can I, firstly, say that this provision does not require the commission to provide that information; it

entitles the commission to provide that information. How is that discretion to be exercised?

**Mr JENNINGS** — I am not sure that your reading and my reading is the same. It says:

... the Commission must provide on request, the name and address of any person whose application to vote by post ...

**Mr RICH-PHILLIPS** — My apologies, Minister. I misread new section 104A(2) with respect to the format in which it must be provided.

**Mr JENNINGS** — Yes. So in subsection (1) they must provide it.

**Mr RICH-PHILLIPS** — In relation to the provision, subsection (1) says:

as soon as practicable after the declaration ...

Does that obligation apply equally to all the parties and independent candidates who are eligible to receive that information? Must the commissioner provide it simultaneously to all parties and all candidates?

**Mr JENNINGS** — It would be incumbent upon the electoral commission to treat all parties equally. I have not had a discussion with the electoral commission whether that means that there is a clearing house every day that is actually transmitted to any party or candidate that has requested it or whether it is updated in a responsive way. But whatever the time frame that relates to the request and the response, it should be a consistent time frame to satisfy what would be a reasonable expectation of parties to be treated equally in this regard, and that would be my expectation of how the VEC would respond that.

**Mr RICH-PHILLIPS** — Thank you, Minister. The Electoral Act sets out criteria under which an elector may apply for a postal vote — things such as illness, absence from the state for the period of the election et cetera. Necessity indicates that a person who has applied for a postal vote would meet a certain set of circumstances, which most probably would be that they are going to be absent, most likely, or infirm — so absent or infirm, generally. Currently that information only becomes available to a political party if the elector chooses to apply for a postal vote via their political party of choice. Under this mechanism that information will be distributed to every political party and every Independent candidate in the relevant seat.

How does the government justify expanding the provision of that information on such a broad basis, when currently there are 20-odd registered political parties plus an untold number of Independent

candidates who may be running in an individual seat, when that information does point to circumstances surrounding the vote by virtue of the fact that they have applied for a postal vote — they are going to be away or they are infirm being the most likely scenarios? The fact that they have applied for a postal vote does give an indication of their situation. Their house may be vacant or they are infirm. That information is currently not available to all parties or all candidates; under this model it will be. How do we justify that?

**Mr JENNINGS** — In fact going back to my answer to the previous question, you predicated a previous question before we broke for dinner and voted on clause 24 on a postal vote application being instigated by a voter and how that might be dealt with by the director or by parties as intermediaries or the VEC. In my answer to your question I referred to the rights of the voter to access a postal vote if they meet the eligibility criteria. They will be encouraged to go directly to the VEC in relation to this matter in the first instance, or alternatively, if they do have a connection with a political party, they may maintain that connection with the political party and the political party will refer them on. So I just remind us of that connection. Ultimately the interest of the voter that I think needs to be protected is their right to exercise the vote in that way.

The second part of the equation, which is far less important in my view but important nonetheless, is the information that may assist them in exercising that vote. This mechanism means that the voter will now be likely to receive, if it is an active campaign, some material that is relevant to them in a timely fashion because they are going to exercise their vote, as distinct from what might be a broad-based trawl that political parties embark upon to encourage people to vote, but primarily for the purpose of tilling the soil of their voter base. That is the primary purpose.

At the moment the current system works nominally in the interests of the party. It may have a value to the voter, but it may not. So probably as a rights-based approach, I think this rights-based approach means that the people who now receive mail from political parties about a postal vote are only the ones that it is relevant to, so I would say that you can actually say that the interests of the voter are protected. The interests of the party in terms of maintaining a database may be diminished.

**Mr RICH-PHILLIPS** — Thank you, Minister. That does not go to the issue I am raising, which essentially is the privacy of the voter who has applied for a postal vote. Currently if I choose to apply for a

postal vote, I obviously would apply in response to the application sent out by the Liberal Party, and it would be processed and I would get that back. Under this mechanism I will need to apply via the VEC, and then every political party and independent candidate will know that I have applied for a postal vote. That information will go to the Labor Party, it will go to the Greens, the 20 other registered parties and however many Independents may nominate in the seat in which I am enrolled.

As I indicated earlier and you acknowledged, the fact that an elector applies for a postal vote indicates most likely they are going to be away or they are infirm, so through this mechanism we are sharing that information not with the one party the person may choose to vote with, which is how the current mechanism would work, but with every party and every candidate. Can you respond to the issue of the privacy of the voter and that information being shared conceivably very widely with a whole lot of people who currently in the current system do not get that information about a postal voter seeking a postal vote?

**Mr JENNINGS** — The issue that you are concentrating on — and it is fair enough — is privacy. The issue that I am relating to is the primacy of the voter in terms of exercising their rights and then being provided with information, as distinct from the process that many voters — some willingly, some less willingly — may actually see themselves as being invited into partly out of the generosity of spirit of political parties but also quite often on the basis of the political result that the party thinks it is going to secure from assisting processing a postal vote.

**Mr Rich-Phillips** interjected.

**Mr JENNINGS** — Well, you choose to see them as one being far more important than the other.

**Mr Rich-Phillips** — Well, I am asking you to address that other one.

**Mr JENNINGS** — Well, what I am saying to you is if a political party or a candidate becomes aware of the roll of people who have actually applied for a postal vote, the most likely outcome is that they will send them a letter. That is the most likely outcome: a letter will be sent to them.

**Mr RICH-PHILLIPS** — Well, that is true, Minister, but in order to be in a position to send that letter, information has been disclosed to that party and every other party that that voter most likely is away or is infirm or has, of necessity, met criteria to apply for a postal vote, which most likely would indicate they are

away or they are infirm. That information is being shared far and wide, so yes, the political party should use that information to send that letter, but they have also been granted information about voters that they are currently not granted. Yes, they have access to the electoral roll, but they do not discretely know the cohort who are postal voters by virtue of meeting the criteria unless the postal voter has chosen to apply through their party of choice. The proposed mechanism, as I said, makes it available to every party, whether the postal voter chooses to have that information distributed or not.

**Mr JENNINGS** — Yes, I understand that. With the example in your question you are making an assumption. If we are talking about privacy, at the moment does every voter in the electorate want a letter sent to them by a political party seeking to encourage them to apply for a postal vote? I could actually say to you, applying the logic of your question, a voter may already see that as a breach of privacy if they apply the same logic that you are applying.

**Mr RICH-PHILLIPS** — Well, that is true, Minister. That may be their perception, but it is not the case because sending a letter to every voter asking them if they want a postal vote is not the same as quarantining a cohort that you know have applied for a postal vote because they meet certain criteria and giving that information to every party and every candidate. So it is not the same as just a general distribution of the general electoral roll.

**Mr JENNINGS** — You are loading in a whole lot of things that may or may not be relevant.

**Mr RICH-PHILLIPS** — Minister, why does a single-issue party running in the seat of Mildura need to know who has applied for a postal vote in the seat of Dandenong, which is what this provision allows for?

**Mr JENNINGS** — No, it does not. It is actually limited by the amendment that is before you. It is limited to a candidate who is relevant.

**Mr RICH-PHILLIPS** — Minister, the question was about a political party. A single-issue party —

**Mr JENNINGS** — Well, the same thing applies to a political party — only if they are standing in the seat that it actually applies to.

**Mr RICH-PHILLIPS** — With respect, Minister, that is not how the amendment is drafted. New section 104A(1) provides that ‘the Commission must provide on request’ the information to ‘(a) each registered political party’ and ‘(b) each candidate’ who is an Independent candidate in the seat. So there is no

requirement for the party to be running in the seat to receive that information. You can have a single-issue candidate running a single-issue party with one candidate running in the seat of Mildura who is entitled to receive a list of postal voter applications in the seat of Dandenong. How is that appropriate?

**Mr JENNINGS** — It may be relevant for a whole variety of reasons. You have given one extreme example. In fact you argue that there may be no connection. In terms of the regional construct of the upper and lower houses, you can actually understand that a party who is standing within that region will be covering 11 lower house seats, so it may well be that there is not a lower house member. So already the concern that you are actually raising is about the disparate nature between them. The example you have given might be reduced by a factor of eight by that phenomenon in itself. But I will go and have a conversation with people about this.

There is a pre-existing register of postal voters that all parties already get access to. There is already a mechanism for that outcome to occur. What this provision is doing is mirroring that existing provision for a cohort of new applicants.

**Mr RICH-PHILLIPS** — For a cohort of new applicants?

**Mr Jennings** — In each election.

**Mr RICH-PHILLIPS** — So when you indicate there is a register that parties currently get, are you referring to whoever had previously registered at the previous cycle for a postal vote?

**Mr JENNINGS** — Yes, there are people who are in each election registered as postal voters. That list already exists, so the concern that you are expressing in relation to this provision you could apply to the existing provision.

**Mr RICH-PHILLIPS** — Minister, that standing list I presume is a very small list of people who are permanent postal voters. It is a special exceptions provision of the Electoral Act 2002. This is a provision of general application. You have qualified it with respect to paragraph (b) that only an Independent candidate in the seat, be it upper or lower, gets the information. Why have you not qualified it in the same way for a party? You spoke about how a party may not have a lower house candidate but have an upper house candidate, which is fair enough, but the same qualification you put in paragraph (b) on Independent candidates would equally work with registered parties, but that has not been included. Why is that?

**Mr JENNINGS** — Because there is an additional requirement just in terms of the Electoral Act and the regulatory environment around how the VEC undertakes its work, but there is an onus on registered political parties to operate in a certain way. Regarding some of the adverse potential outcomes that you are obliquely referring to or implying, if parties misused the information in a way that led to those outcomes, the electoral commission would be mindful of it. We would be able to take either some remedies or recommendations following the election about how that should be remedied.

**Mr RICH-PHILLIPS** — That implies or suggests the party is acting inappropriately, but the mere fact that information which currently goes to one political party, being the one the application came through, will in future go to all political parties, which would be 20, means there is a risk of inadvertent disclosure of that information far higher than is currently the case, irrespective of ill intent or inappropriate conduct. The mere fact that you are sending it to 20 people plus Independent candidates instead of to one party means the risk of privacy breaches is exponentially higher. There does not appear to be a justifiable reason for doing that when the only political parties that are relevant to an elector are those that are actually standing candidates in the seat that the elector is enrolled in.

**Mrs PEULICH** — Minister, for example, my mother is 85 years of age. She opts to apply for a postal vote through the Liberal Party. She lives alone. She is a widow. She is very concerned about her safety and security. I would imagine the same disposition would be shared with many who would qualify for a postal vote. She would be very concerned about her circumstance being shared by such a large number of people. In particular, given the financial incentive, we can expect the number of those contesting elections will increase exponentially. What consideration have you given to how their privacy would be protected? I would be very interested in hearing what thought has been given to that.

**Mr JENNINGS** — Apart from what I have already answered in relation to Mr Rich-Phillips's first proposition in terms of the regulatory environment that the VEC would have with registered political parties in relation to the way in which they could conduct an electoral process, there are two specific provisions in this amendment. They deal with the disclosure of this information inappropriately — unless the disclosure is in connection to the election — plus that a person should not use the information provided under the subsection for any purpose unless the use is in connection with the election, which can account for



circumstances where there are privacy concerns or the inappropriate sharing of information. Both of those have 600 penalty units associated with them if it is undertaken by a natural person and 3000 penalty units if it is by a body corporate or a political party. A significant sanction is in play if in fact information is abused.

**Mrs PEULICH** — Thank you, Minister. After the event, that may be relevant. In the meantime, a person of 85 years of age or more may find themselves bombarded by public parties or candidates that they do not wish to engage with and would be concerned about their safety. Have you thought about how a postal vote applicant may be able to indicate which information they wish to receive from political parties or which political party they wish to share that information with?

**Mr JENNINGS** — That is not covered in this amendment, and I certainly would not want to contribute by design any of the adverse outcomes that you have apprehension of with your mother's circumstances. I have sympathy —

**Mrs Peulich** — She gets paranoid about getting calls from electricity companies.

**Mr JENNINGS** — Sadly, you are indicating that she feels that her privacy is being breached by any external contact, in that example.

**Mrs Peulich** — That she doesn't initiate.

**Mr JENNINGS** — Yes. Again, I know this does not come as any comfort to you or to your mother, but your mother, who has that view, probably feels as if her privacy is not secure in those circumstances all the time. As it is, there would be many instances when people on the electoral roll receive unsolicited letters from political parties.

**Mrs Peulich** interjected.

**Mr JENNINGS** — Well, it is the same because in fact you know that things are put in letterboxes of every constituent in an electorate. What we are talking about here is something that for all intents and purposes would be electoral campaigning material that could well have been put in the letterbox in any case. The political parties are not going to use it in a way that differentiates between whether it is material that is distributed for somebody who votes early or somebody who makes a postal vote. It only relates to the timing by which that material is sent to a voter.

**Mrs PEULICH** — You have not really answered my question because it is not generic material; it is

material for a particular cohort of voters who qualify to apply for a postal vote by virtue of the fact that either they are going to be absent, and therefore their home will be unattended, or they are infirm. Therefore it is much more sensitive — it is not generic material that is left in the letterbox; it is highly targeted material. Also, many of those voters would be older voters, who are very concerned about their safety and security. I just feel that this is an inappropriate sharing of their private information, especially information over which they have no control, whereas now my mother would make an application, say, through the Liberal Party and choose to receive information from the party that she has a relationship with, that she votes for and that she chooses to receive information from.

**Mr JENNINGS** — I do not want to ignore the potential for these circumstances you have described, but the justification is that many voters may be not that happy when they receive campaigning material every election. They may feel as if their sense of personal comfort has been impinged upon by receiving unsolicited material. Unfortunately that is a feature of community life. From the voter's perspective, a voter who seeks an application for a postal vote in the circumstances you describe may know the effect of this legislation or may not know the effect of this legislation in terms of their privacy. From their vantage point, if they receive a letter, they might feel vulnerable in the existing regime, and this variation may make no difference to the issues that you have described.

**Mrs PEULICH** — Will the online application therefore issue a warning to each applicant that their information will be shared, and the parties that it will be shared with? Is that a warning that is going to be visible on that application?

**Mr JENNINGS** — I have not discussed that particular matter with the Victorian Electoral Commission. I am going to go over and get advice. There are already pre-existing protocols that the VEC has in regulation and the way in which material is currently treated, and it is expected that those protections will be put in place. It is very clear that there would be a warning on the form that actually would alert people to the privacy considerations in relation to this matter — so that is the individual voter — and there would also be guidelines and regulations that would apply to political parties to reinforce their obligations and to make them aware of the sanctions that apply that would be inserted in the bill.

**Mrs PEULICH** — What are the penalties for those breaches?

**Mr JENNINGS** — The penalty for inappropriate use of the material is effectively 600 penalty units for a case of an individual or 3000 penalty units for a political party.

**Mr RICH-PHILLIPS** — The coalition's concerns with the privacy implications of this amendment and the way in which the information will be distributed — far more widely than is currently the case — remain, and accordingly we will not be supporting this amendment.

### Committee divided on new clause AA:

#### Ayes, 22

Bourman, Mr	Patten, Ms
Dalidakis, Mr	Pennicuik, Ms
Dunn, Ms	Pulford, Ms ( <i>Teller</i> )
Eideh, Mr ( <i>Teller</i> )	Ratnam, Dr
Elasmar, Mr	Shing, Ms
Gepp, Mr	Somyurek, Mr
Jennings, Mr	Springle, Ms
Leane, Mr	Symes, Ms
Melhem, Mr	Tierney, Ms
Mikakos, Ms	Truong, Ms
Mulino, Mr	Young, Mr

#### Noes, 18

Atkinson, Mr	Morris, Mr
Bath, Ms	O'Donohue, Mr
Carling-Jenkins, Dr	Ondarchie, Mr
Crozier, Ms	O'Sullivan, Mr
Dalla-Riva, Mr	Peulich, Mrs
Davis, Mr	Purcell, Mr ( <i>Teller</i> )
Finn, Mr	Ramsay, Mr ( <i>Teller</i> )
Fitzherbert, Ms	Rich-Phillips, Mr
Lovell, Ms	Wooldridge, Ms

**New clause AA agreed to.**

**Clauses 28 to 30 agreed to.**

**New clause BB**

**Mr JENNINGS** — I move:

11. Insert the following New Clause to follow clause 30—

#### 'BB Part 6A substituted

For Part 6A of the **Electoral Act 2002** substitute—

#### "Part 6A— Electronic voting and electronic assisted voting

##### Division 1— Electronic voting

#### 110A Application of Part 6 to electronic voting

Part 6 applies to and in respect of electronic voting subject to the provisions of this Part.

#### 110B No entitlement to electronic voting

This Part does not create an entitlement to vote by electronic voting.

#### 110C Availability of electronic voting

Electronic voting is available at a voting centre which is designated by the Commission as an electronic voting centre.

#### 110D Who can access electronic voting?

- (1) Electronic voting can be accessed by—
  - (a) an eligible class of electors; and
  - (b) any other class of electors prescribed by the regulations for the purposes of this section.
- (2) In this Division, *eligible class of electors* means electors who otherwise cannot vote without assistance because of—
  - (a) blindness or low vision; or
  - (b) a motor impairment; or
  - (c) insufficient literacy skills (whether in the English language or in their primary spoken language).

#### Division 2— Electronic assisted voting

#### 110E Application of Part 6 to electronic assisted voting

Part 6 applies to and in respect of electronic assisted voting subject to the provisions of this Part.

#### 110F Availability of electronic assisted voting

- (1) The Commission must determine that electronic assisted voting is available at an election.
- (2) The Commission must designate a voting centre as an electronic assisted voting centre.

#### 110G Who can access electronic assisted voting?

Electronic assisted voting can be accessed by a prescribed eligible class or classes of electors prescribed by the regulations for the purposes of this section.

#### 110H Commission to approve procedures for electronic assisted voting

- (1) The Commission may approve procedures to facilitate voting by a prescribed eligible class or classes of electors at an election by means of electronic assisted voting.
- (2) The Commission may engage an independent person or auditor to conduct audits of the computer program, systems and information technology used under the approved procedures.

**Division 3— General****110HA Definition**

In this Part, *electronic assisted voting* includes voting by the use of electronic equipment, telephone or other technology.

**110HB Approval of computer program or system for electronic voting and electronic assisted voting**

- (1) The Commission may approve a computer program or system to enable electronic voting and electronic assisted voting if the Commission is satisfied that the criteria specified in subsection (2) apply.
- (2) The criteria are—
  - (a) the proper use of the computer program or system will give the same result in the recording of votes in an election as would be obtained if no computer program or system was used in the recording of votes;
  - (b) the computer program or system will enable a visual display or auditory description (including the names and order of the candidates and other details about the candidates as they appear on the ballot-paper) of the ballot-paper and voting instructions to be provided to an elector so that the elector may vote using a touch screen or a keypad;
  - (c) the computer program or system will enable an elector to select consecutive preferences beginning with the figure “1” or, in the case of an election for the Legislative Council, to select only one party or group in accordance with section 93A(2)(a);
  - (d) the computer program or system allows an elector to correct a mistake before the vote is processed by the computer program;
  - (e) the computer program or system allows an elector to give an informal vote by selecting no preferences for any candidate or by voting for less than the number of vacancies to be filled at the election;
  - (f) the computer program or system allows an elector to abandon for any reason the electronic ballot-paper without completing the vote;
  - (g) the computer program or system can produce a paper record of each vote cast using an electronic ballot-paper to enable the counting of votes in the election;
  - (h) the computer program or system will prevent any person from ascertaining the vote of a particular elector.
- (3) The Commission may approve a process for capturing preferences into the approved computer

program or system for electronic voting or for electronic assisted voting.

**110HC Security arrangements**

The Commission must ensure that arrangements are in place to ensure that—

- (a) systems, computer programs and electronic devices used or intended to be used for or in connection with electronic voting and electronic assisted voting are kept secure from interference; and
- (b) the integrity of voting is maintained while electronic voting and electronic assisted voting is being used.

**110HD Ballot-papers**

- (1) For the purposes of this Part, a ballot-paper prepared under section 74 may be in an electronic form.
- (2) The Commission may approve changes to the electronic form of the ballot-paper which are necessary to facilitate the visual display or auditory description of the electronic form.
- (3) The Commission may approve changes to the form of the ballot-paper printed from the ballot-paper in an electronic form.

**110HE Voting**

- (1) For the purposes of section 92, if section 110D applies to a person entitled to vote, the person may be given access to an electronic ballot-paper.
- (2) For the purposes of section 92, if section 110G applies to a person entitled to vote, the person may authorise an election official to access and complete a ballot-paper on their behalf.
- (3) If an elector given access to an electronic ballot-paper has complied with the voting instructions provided and the vote is processed by the computer program, the elector is to be taken for the purposes of sections 93 and 93A to have marked the elector’s vote on the ballot-paper in accordance with those sections.
- (4) For the purposes of section 93(6), an elector using electronic voting or electronic assisted voting is to be taken to have deposited their vote in the ballot-box—
  - (a) in the case of electronic voting, when they submit their electronic ballot-paper using the approved computer program; or
  - (b) in the case of electronic assisted voting, when the election official has confirmed completion of the ballot-paper.
- (5) For the purposes of section 98, a person to whom section 110D applies is entitled to apply to vote at an early voting centre.

- (6) The validity of a vote cast in accordance with this section cannot be disputed on the ground that the elector could have voted without assistance.

**110I Offence in relation to electronic voting and electronic assisted voting**

- (1) A person must not, without reasonable excuse, destroy or interfere with any computer program, data file or electronic device which is used, or intended to be used, for or in connection with electronic voting and electronic assisted voting.
- (2) A person who contravenes subsection (1) is guilty of an indictable offence.

Penalty: Level 6 imprisonment (5 years maximum) or level 6 fine (600 penalty units).

**Note**

Section 179A applies to an offence against this section.”.

The amendment to insert a new clause after clause 30 builds on an ability for the electoral commission to support vision-impaired voters or those who seek additional technology or assistance in exercising their vote. Ms Patten made sure that I was mindful of this issue when we were considering amendments and indicated that she may want to augment what was already the intention of the government in the bill and the VEC in terms of trying to roll out that capacity to enhance the ease by which vision-impaired people, but also other people who have a degree of difficulty technically or logistically in being able to exercise their vote, could be afforded that opportunity. The government has been very happy to add to that opportunity for voters with this amendment.

**Mrs PEULICH** — Mr Somyurek, Mr Finn and I — and I cannot remember exactly who else — were on the Electoral Matters Committee that actually looked at electronic voting in a number of jurisdictions.

**Mr Dalidakis** interjected.

**Mrs PEULICH** — We had a great time. But the serious issue here is that obviously everyone wants to see the capacity of people in exercising their vote to be as robust as possible and their privacy protected. I recognise and acknowledge the correspondence that we have all received from those who are vision-impaired wanting that opportunity. The findings of the electoral matters report at the time included that electronic voting online presented a number of challenges which we were not able to embrace at the time. They included, for example, threats of tampering; threats of hacking, especially in tightly contested elections where these things can create a level of uncertainty in a democracy

or in any system; and in addition to that the complexity and the challenge of recounts. Are you able to comment on and give the house an assurance on those matters, which were then recognised in that all-party report and on which I have not seen any convincing information that indeed addresses those very serious concerns?

**Mr JENNINGS** — Thank you, Mrs Peulich, for the question, because it is a valid question. There is no doubt about it; it is a valid question as we try to assist voters with visual impairment but also those with other difficulties in exercising their vote. For instance, for those with motor impairment or those who have insufficient literary skills where English may not be their primary language there need to be a number of different opportunities for communication assistance in exercising their vote.

On the concerns that you raise in relation to reliability and security issues in relation to electronic voting, the electoral commission looks to other jurisdictions and believes that they are prepared to consider in a national context reforms to electronic voting. Indeed there is ongoing dialogue at the Council of Australian Governments (COAG) level between jurisdictions in relation to how electronic voting may be extended and what security mechanisms of the technology could be used to underpin it; so there is quite an interactive consideration across the jurisdictions.

What this provision provides for is a limited and controlled process by which technology is tested and assessed as to its efficacy. One of the very important aspects that is considered in the review mechanism that I am moving by amendment subsequently in the committee stage will be to look at the impact of any of these reforms that we are introducing and for the VEC to be put on notice in relation to testing the very issues that you are concerned about to actually see that there are no unintended or undesirable outcomes in relation to the slow rollout and availability of this technology or these methods of voter support, in terms of a caution in relation to the way in which people would be educated and supported to use it, assess the efficacy of it and come back and review it. The VEC would be required to do that after every election, but by the second election — there would be very limited engagement in this election — by the end of 2022, which would be the subsequent election, there would be a formal review that would be commissioned by the Parliament under the amendment that I am moving to ascertain the effect of the use of this method.

**Mrs PEULICH** — Could you clarify if it is the intention to provide a facility for online voting, or is it going to be electronic and offline?

**Mr JENNINGS** — What has been considered and established is a protocol with Vision Australia in relation to a telephone advisory service to provide assistance. That would be the first avenue in relation to providing that assistance. In relation to the means by which there would be an online capability, in fact what is described in this amendment is what types of technology there may be, which does include computer software and does include the development of programs that would enable not only visual display but also auditory description in relation to the ballot paper, so it is the equivalent of a reader that would actually be available to voters. These are outlined in the provisions of the amendment. Proposed section 110HB outlines the criteria and the types of technology and capacity that may be available and used in the system. Proposed section 110HC describes the security arrangements that would be associated with this. Again in relation to your concern about the inappropriate contamination of the integrity of the ballot or intruding on people's rights in terms of their voting, there are sanctions that would apply if they are abused.

**Mrs PEULICH** — Through you, Acting President, is it intended to have this available at the next election?

**Mr JENNINGS** — Yes, for a very small cohort as a trial.

**Mrs PEULICH** — In view of your answer, could you indicate what numbers of people we are looking at in terms of proposed section 110D(2) with:

- (a) blindness or low vision; or
- (b) a motor impairment; or
- (c) insufficient literacy skills (whether in the English language or in their primary spoken language).

Do you have an indication of how many may be eligible for each category?

**Mr JENNINGS** — In total, we are anticipating less than 1000 voters being part of the initial cohort in all those categories.

**Mrs PEULICH** — Only 1000 for all of those categories?

**Mr Jennings** — Yes.

**Mrs PEULICH** — Right. And is it the intention that it would all be online? This is in addition to the questions that I asked about verification, especially in the instances of recounts, tampering, hacking and also security to ensure that the person who is claiming the vote is indeed the intended voter.

**Mr JENNINGS** — Yes, indeed. In fact I just did outline those various elements in terms of rewinding the requirement for sanctions to be available to the electoral commission in terms of the security arrangements. If there is anything else that I can augment in relation to this answer, I will come back.

How the system in the first instance will work is that a voter who seeks access to the scheme will phone the VEC to obtain a voter ID pin that will then be provided to them. The voter will then contact a separate officer of the VEC using that pin, so in fact it is a de-identified vote from the second officer's perspective in terms of who is exercising that vote. To provide for the confidentiality of the voter's intention, that second officer will complete the ballot and provide a confirmation of that to the voter. In terms of inappropriate disclosure of information occurring within the VEC in relation to that matter, there are significant sanctions that would apply if that information was inappropriately used.

**Mrs PEULICH** — I would imagine that with some well-educated vision-impaired persons that may be a suitable system, although I still have a great deal of uncertainty that the wishes of the person who corresponds with them are actually going to be honoured because it is still going to be another person who will be filling out the ballot. How can we be certain that indeed that person's wishes are being accurately recorded? It seems like a very convoluted system for a person who may have insufficient literacy skills, and I am thinking of my mother. She is always a great test case. The system that you have outlined would not work for someone like my mother, who is barely literate in her own language, let alone in English. How is this trial going to be overseen, and what sort of independent oversight is going to be provided for this pilot?

**Mr JENNINGS** — I think the VEC, from my experience, are probably very keen to be able to provide this service and provide it in a way that builds confidence both for the voter, most importantly, and for other people who may actually have concerns about the validity and the appropriateness of it. They are quite organisationally motivated to be responsive to the needs of these voters, whom they believe have not been responded to adequately. In fact I am sure your inquiry identified that. They understand that if this scheme does not work and it leads to adverse outcomes, then they will suffer reputational damage as much as anything else, which is, I know, not necessarily the end of the story, but it is a significant motivator for any organisation such as the VEC in terms of acquitting its responsibilities.

As I indicated to you in my answer before, in the first instance there is the review of the VEC following an election. As you know, there is parliamentary scrutiny by the Electoral Matters Committee, which will look at the effectiveness and provide the opportunity for these issues to be tested out with the public by seeking submissions about its efficacy or appropriateness or what its limitations may be. So that occurs after the next election. For the subsequent election beyond that with those mechanisms still being in place there will be the review that is foreshadowed in the amendment that I have indicated, looking at whether the take-up and use and the effectiveness of this has led to good or bad outcomes and how we should modify, slow down or speed up the implementation of what is a very narrow cast pilot in the first instance.

**Mrs PEULICH** — Just to get it clear in my mind, a person has a couple of telephone calls and ultimately they speak with a person to whom they express their preference and that person records it on paper.

**Mr JENNINGS** — It is likely to be recorded in electronic form, and there would be a means of confirmation back to the voter.

**Mrs PEULICH** — On how that vote had been cast?

**Mr JENNINGS** — Yes, exactly.

**Mrs PEULICH** — And a record of that goes into a pile which is subsequently counted.

**Mr JENNINGS** — Yes.

**Mr RICH-PHILLIPS** — Minister, I have a couple of questions around the proposed insertion. How widely does the VEC anticipate it will make electronic voting available? You indicated you expect the cohort is about 1000 voters. Will there be a facility in each electoral district or only at VEC, Melbourne? What is the expectation of how widely it will be made available?

**Mr JENNINGS** — It is anticipated there will be a central coordinating telephone opportunity, as I have outlined to Mrs Peulich. It has not been ultimately completely identified, but there would be an intention that, associated with early voting booths in electorates, this would be made available.

**Mrs PEULICH** — In each of the early voting centres?

**Mr JENNINGS** — Yes.

**Mr RICH-PHILLIPS** — Minister, proposed new paragraph 110F(1) says the commission must

determine that electronic assisted voting is available at an election. It is not clear to me whether that clause means the commission must make a decision that it is or is not available, or if the commission is obliged to make it available. Can you clarify what the intent is there, please?

**Mr JENNINGS** — The reason why it is written in this way is to provide for the circumstances where the election may be a by-election and on the basis of the knowledge of the VEC — the VEC is actually working in collaboration with Vision Australia in the first instance and is likely to know the size of the cohort that it is dealing with and on the basis of what it believes to be the circumstances in a by-election — there may not be the need based on the anticipated voters who would use the scheme to actually designate it as a centre for that by-election. That is the reason why there is some degree of discretion. It may well be that it is an overreach in relation to establishing one that may not be used. In that circumstance you could default to the telephone system.

**Mr RICH-PHILLIPS** — Thank you, Minister. The expectation for a general election is that it will be provided into the future?

**Mr Jennings** — Yes.

**Mr RICH-PHILLIPS** — Just on the question of availability, new section 110B provides that this does not create an entitlement to electronic voting and new section 110D sets down criteria. Does the commissioner or their delegate need to make an assessment against those criteria in 110D or is that essentially the case of the elector self-assessing that they otherwise could not vote without assistance because of those three criteria? Will the commission form a judgement on that or will it simply be an elector coming into contact with the VEC saying, 'I want to use electronic voting because I meet those criteria'?

**Mr JENNINGS** — I imagine the protocols in relation to how this scheme will work are currently being worked through with the relevant representative body at this point in time. In relation to this I think the commission would provide access. I think they would not make a restrictive application of this if a voter chose to seek assistance in this way, but I will talk to people about that.

It is absolutely as I have described. The commission is likely to take the self-assessment and the request at face value.

**Mr ONDARCHIE** — Minister, in relation to this provision, specifically new section 110D, I have to say

as a Guide Dogs Victoria ambassador I am delighted that we are trying to find better opportunities for blind and visually impaired Victorians to have life options and independence, so I welcome 110D(2)(a) in this discussion. I do note, though, the three criteria that make it available for accessibility for Victorians, and I want to know if that is the complete list of people that will access this. I am particularly thinking about people with intellectual disabilities or mental illness who could also access this system. I was just wondering if this is the total criteria that could preclude those people.

**Mr JENNINGS** — At this moment the answer is yes. As to whether in fact this is limiting the opportunities for others in our community that may seek to access it in the future, we would need to look at ways in which we could effectively roll that out increasingly over time.

**Mr ONDARCHIE** — Thank you. I would ask you also to consider elderly Victorians in that consideration as well. Minister, you indicated in response earlier to Mr Rich-Phillips that access to electronic voting will be at a select number of locations — if I can sort of paraphrase what you were trying to say, if that is accurate.

**Mr JENNINGS** — Broadly, but not necessarily absolutely everywhere. Broadly available but not necessarily in every electorate. It depends upon anticipated need.

**Mr ONDARCHIE** — I am fully cognisant that this is a pilot program. I do understand that. One of the challenges may well be, though, Minister, the accessibility for Victorians who are blind or who have vision impairment or motor impairment to get access to that voting centre. I wonder if there will be some instruction to the Victorian Electoral Commission, or those who may organise the premises, to ensure there is a suitable number of disabled parking spots. That is often one of the challenges at our voting centres, that there are very limited disabled parking spots or in some cases none.

**Mr JENNINGS** — I am grateful for that advice. I certainly give an undertaking to the committee that I will raise that and any other relevant matters that have been identified in terms of the consideration for how they prepare for those circumstances.

**Mr ONDARCHIE** — My final question on this new clause relates to 110HB(2)(b) that just talks about using a touch screen or a keypad. Some Victorians with disabilities, particularly those with motor impairment, may not be able to effectively use a touch screen or

keypad. Will there be capacity for voice recognition in this as well?

**Mr JENNINGS** — I believe, if I scan down, there is a reference to auditory processing.

**Mr Ondarchie** interjected.

**Mr JENNINGS** — Pardon?

**Mr Ondarchie** — That is auditory description.

**Mr JENNINGS** — No, in fact auditory processing in relation to effectively the reader, as I described to Mrs Peulich before.

**Mr ONDARCHIE** — That gives them a chance to get a description but not to vote, because some of them may not be able to use a keypad or touch screen.

**Mr JENNINGS** — Yes, I understand. I have just been encouraged to indicate to Mr Ondarchie that the pilot and the way in which it will operate is designed to develop a system that would actually cover the certain types of contingencies that you have outlined and see how we can address them over time.

**Mrs PEULICH** — In view of your response just then, Minister, I have just a couple of questions. First of all, punishment is not security. In tight contests where perhaps a government may win by one seat, a handful of votes will be very important, so integrity is very, very important. You mentioned earlier that COAG was going to be involved in some way. Is that in providing oversight or a review post the event?

**Mr JENNINGS** — No. What I was referring to with COAG was in relation to the question you asked me about the electronic voting more broadly. There is a reference to that and Victoria, as a jurisdiction, is cautiously engaging in that process. For the reasons that you have outlined, we do not want to allow this reform to get ahead of that confidence and security issue.

**Mrs PEULICH** — That was certainly the message of the committee — of which I was a part for the inquiry — that that was the view they had formed, and it was a bipartisan position. We were not confident that online voting was going to provide the security and integrity that is required. I guess in terms of the vision-impaired gentleman who contacted us, he wanted to make sure that he has the right to cast a secret ballot, but your answer quite clearly shows that it is really not a secret ballot, because someone still records that vote.

**Mr JENNINGS** — But it is a de-identified vote, so in the circumstances you described it is an approach to get as close to, in that sense — being de-identified — a secret vote as can be envisaged within the current systematic way in which we are trying to address this issue. There might be some refinements and improvements that might add to the secrecy of the ballot, so we are certainly interested in exploring how a combination of protocols, engagement and technology might assist that in the future.

**Mrs PEULICH** — So if it is a de-identified vote — and I understand the need for that — and there is a receipt provided to the voter, how does a recount operate?

**Mr JENNINGS** — A recount would not require the vote to be identified at any point in time. If it is in the ballot, it is in the ballot — de-identified.

**Mrs PEULICH** — In relation to new section 110H(2), which states, ‘The commission may engage an independent person or auditor to conduct audits of the computer program, systems and information technology used under the approved procedures’, is that after the event, before the event or both?

**Mr JENNINGS** — It could be both.

**Mrs PEULICH** — Are you able to give us that assurance — that it will be both?

**Mr JENNINGS** — Yes. I said yes more quickly than the advisers did.

**Mrs PEULICH** — And will that also be available for public scrutiny in some shape and form?

**Mr JENNINGS** — Well, clearly it is incumbent on the VEC to actually report on matters such as this. I go back to my reputational issue for the VEC. This is something that they are very committed to. They want to make sure that it works and is seen to work, and they will, I am sure, fulsomely report on the effectiveness of this pilot.

**Mr RICH-PHILLIPS** — The coalition does not oppose the provisions. We think obviously facilitating visually impaired people to vote, expanding the cohort of people who can vote, is important, and we look forward to seeing how these provisions work in practice.

**Mr JENNINGS** — Thank you for that, and I thank anybody else in the chamber or in the Parliament who may support that as well.

**New clause BB agreed to.**

### Clause 31

**Mr RICH-PHILLIPS** — Minister, just in relation to the processing and counting of early votes, new section 110J(4) imposes certain restrictions around taking in transmitters. What it does not cover off is recording devices — that is, cameras with the ability to capture images that would later be relayed. Is it implicit in new subsection (4) that a transmitting device could include a camera with the capacity to capture the information — not to transmit it at the time — and have that information subsequently taken out? I am obviously aware of new subsection (5), but just to be clear: is new subsection (4) intended to be of broad application?

**Mr JENNINGS** — Mr Rich-Phillips, if I used a camera to take your picture and then showed the image from that camera to somebody to demonstrate that you were in the chamber at this point in time — if I held my watch out here — I am conveying information by using that device. So the answer to your question is yes, because you would be using the device to transmit or convey information.

**Clause agreed to; clauses 32 to 34 agreed to.**

### Clause 35

**Mr RICH-PHILLIPS** — I move:

1. Clause 35, page 19, line 13, omit “**section**” and insert “**sections 152 and**”.
2. Clause 35, page 19, line 14, after this line insert—

‘(1) After section 152(3) of the **Electoral Act 2002** insert—

“(4) A person must not, subject any person who within 100 metres of the entrance of a building used as a voting centre is handing out how-to-vote cards or supporting a candidate at an election, to violence or intimidation.

(5) A person who contravenes subsection (4) is guilty of an indictable offence.

Penalty: Level 6 imprisonment (5 years maximum) or level 6 fine (600 penalty units).”.

Amendment 1 is a consequential amendment. Amendment 2 is the substantive amendment. Clause 35 relates to conduct at voting centres. The bill provides for a change with respect to the distance — the buffer — that is required to be provided at voting centres. What I am seeking with my amendment to clause 35 is to create a new offence that a person must not subject any person who within 100 metres of the



entrance of a building used as a voting centre is handing out how-to-vote cards or supporting a candidate at an election to violence or intimidation.

This arises from the work which was undertaken by the Electoral Matters Committee, which considered the conduct of the 2014 election and in particular the conduct which was widely reported at a number of polling booths, where some polling workers for some parties were subject to intimidation and aggression by representatives of other political parties or representatives of other political causes. It is important that our elections are conducted freely and fairly and that no-one in the environment of a polling place is intimidated in their conduct as they go to and from the polling place or as they represent their party in handing out how-to-vote cards.

The intent of this amendment is to create an offence that makes it very clear that conduct where somebody is intimidated or subject to violence is inappropriate, is not consistent with the way in which we conduct elections in Victoria and would be dealt with as a serious offence by the authorities. I put this amendment to the chamber to make it very clear that intimidation and violence are not appropriate at polling booths and seek the committee's support for this important amendment.

**Mr JENNINGS** — The issue that Mr Rich-Phillips draws attention to is certainly not unimportant, but it is already covered in the bill. Indeed there is no need for the amendment because in fact you are narrowing the application of what is already in the bill by limiting it to 100 metres, because section 152 of the current act states:

- (1) A person must not hinder or interfere with the free exercise or performance, by any other person, of any political right or duty that is relevant to an election under this Act.
- (1A) A person who contravenes subsection (1) is guilty of an indictable offence.  
  
Penalty: Level 6 imprisonment (5 years maximum) or level 6 fine (600 penalty units).
- (2) A person must not, by violence or intimidation, influence the vote of a person at an election.
- (3) A person who contravenes subsection (2) is guilty of an indictable offence.

It already exists.

**Mr RICH-PHILLIPS** — With respect, Minister, it does not. This amendment relates to intimidating people handing out how-to-vote cards; it is not someone casting their vote. You are right; that provision relates to intimidation or violence of someone

casting their vote. This is intimidation or violence directed at somebody who is working at a polling place handing out how-to-vote cards. Notwithstanding your view that there is already a provision, the reality is that conduct did occur in the course of the 2014 election, was widely reported and was reflected in the work of the Electoral Matters Committee, and it is appropriate that this Parliament send a very clear message that that type of conduct — violence and intimidation towards people handing out how-to-vote cards for other parties — is also not appropriate.

**Mr JENNINGS** — Well, from here on in basically you will be putting arguments to me rather than me responding to questions in relation to this matter, because the government is of the view that the current act covers this issue. I sought advice from the public sector commissioner in relation to the appropriateness of this regime, and I received that advice. That advice indicated that in the view of the commissioner there was not a need to change this current provision, and that continues to be the government's position.

**Mr RICH-PHILLIPS** — Can I just clarify, Minister, you said the public sector commissioner?

**Mr JENNINGS** — Yes.

**Mr RICH-PHILLIPS** — Can you elaborate on the relevance of the public sector commissioner to this?

**Mr JENNINGS** — The relevance was that the public sector commissioner — and this actually occurred in the time of the previous public sector commissioner, the commissioner who was in place at the time when the Electoral Matters Committee made its recommendations — as you would be aware, is often available to provide advice on governance issues and on frameworks of the public sector or public behaviour and was commissioned to provide advice on this matter at that time, and that was the advice.

**Mrs PEULICH** — I just wish to support Mr Gordon Rich-Phillips's amendments by drawing on the experiences of the last state election. I must remind everyone of the experiences of members of Parliament such as Donna Bauer, whose workers were intimidated and harassed day in, day out. In addition to that, former member for Mordialloc Lorraine Wreford's workers were intimidated and harassed day in, day out, especially at prepoll voting centres and also on election day. It is similar to the experience I had with fake firefighters handing out material that was not properly authorised by the VEC. It was authorised, certainly not on behalf of the candidate but certainly assisting the Labor Party. They were very, very intimidating and, in

many instances, I had to intervene to protect volunteers who were handing out how-to-vote cards.

In addition to that, I think that the level of education of returning officers needs to be more robust and that these rules, which are existing rules that do not include, explicitly, workers handing out how-to-vote cards, need to be enforced, and people need to be aware of those. Let me say, in many instances it was very hands off, and we had problems throughout that period. I think these amendments do beef up the clause substantially and address the problem that was commented on by the inquiry following the 2014 state election. They certainly address — or go some way to addressing — some of the problems that we have seen in more recent times, where third parties organise and orchestrate organised campaigns, many of them of course associated with the government. In the interests of democracy I believe that these amendments should be supported.

**Dr RATNAM** — I rise to indicate that the Greens will not be supporting these amendments for a number of reasons, including reasons that have been canvassed by the government already, so I will not repeat them. We believe there are existing and strong enough provisions in both the Crimes Act 1958 and the Electoral Act 2002 that guard against the behaviour that these proposed amendments attempt to manage, so we do not think they are necessary and will not be voting for them.

#### Committee divided on amendments:

##### Ayes, 21

Atkinson, Mr	O'Donohue, Mr ( <i>Teller</i> )
Bath, Ms	Ondarchie, Mr
Bourman, Mr ( <i>Teller</i> )	O'Sullivan, Mr
Carling-Jenkins, Dr	Patten, Ms
Crozier, Ms	Peulich, Mrs
Dalla-Riva, Mr	Purcell, Mr
Davis, Mr	Ramsay, Mr
Finn, Mr	Rich-Phillips, Mr
Fitzherbert, Ms	Wooldridge, Ms
Lovell, Ms	Young, Mr
Morris, Mr	

##### Noes, 19

Dalidakis, Mr	Pennicuik, Ms
Dunn, Ms	Pulford, Ms
Eideh, Mr	Ratnam, Dr
Elasmar, Mr	Shing, Ms
Gepp, Mr	Somyurek, Mr
Jennings, Mr	Springle, Ms
Leane, Mr	Symes, Ms
Melhem, Mr	Tierney, Ms ( <i>Teller</i> )
Mikakos, Ms	Truong, Ms ( <i>Teller</i> )
Mulino, Mr	

#### Amendments agreed to.

#### Amended clause agreed to.

#### Clause 36

**Mr JENNINGS** — Given that we are a committee of surprises, maybe I might not move this one. But I will. I move:

- Clause 36, page 21, lines 14 and 15, omit “; registered political party or organisation may display one sign” and insert “or registered political party may display 2 signs”.

It has been suggested to the government that it would be restrictive to have one sign, as envisaged, to be available at a polling station, and at the request of other parties the government has agreed to increase that number to two.

**Mr RICH-PHILLIPS** — The coalition does not intend to oppose this amendment. But before we proceed to putting that amendment, I would just like to ask the minister about the practical application of this provision, which inserts new section 158A into the Electoral Act 2002 to the extent that there is a prohibition on displaying notices within 100 metres of the entrance to a voting centre. New subsection (1) provides that the restriction relates to:

- within 100 metres of any designated entrance to the voting centre; or
- if any entrance to the grounds of the voting centre is designated under subsection (3), within 100 metres of any designated entrance to the grounds ...

The intent is clear. The difficulty with this provision is the 100 metres and the application of 100 metres. An example, Minister, I think is Gladstone Park Primary School in our electorate, where, for example, if the voting centre is the rear hall, then it is prohibited to have signage on the side fence by virtue of the 100 metres. However, the front fence facing the road is outside the 100 metres and therefore could display voting material. So what I am seeking is an understanding of the practical application of this — the way in which the VEC or the returning officer in a particular booth is going to be expected to apply this, and equally frankly, how representatives of parties will apply this — when the distance chosen, 100 metres, quite often will be on the premises of a polling booth, therefore meaning some fences are in, some fences are out et cetera.

**Mr JENNINGS** — You are quite right. The designation will be made by the returning officer at the polling booth and will relate to the physical configuration. From the government's perspective, it is pretty clear that the policy intent is to stop the proliferation of bunting wars and blockades occurring. Interestingly enough I think this provision will play a

far greater role in relation to the types of behaviour that you were trying to deal with in the previous example. The less likely these are opportunities to have a run-through of campaigning material, the better.

In the example that you raised, the returning officer has the ability to act in the physical landscape beyond 100 metres; they will determine where that 100 metres may lie. The effect of it is if people want to publish material outside 100 metres, they can. The effect of this policy setting and the responsibility of the returning officer is to deal with circumstances that flagrantly are in breach of it, with the intention of the last 100 steps of a voter's journey to the polling station being subjected to a barrage of campaigning material.

**Mr RICH-PHILLIPS** — There is an exemption for private property, so presumably the next war is to harass residents in the vicinity of polling places to ascertain whether they are willing to have signs et cetera on their properties. Is it correct that there is no prohibition on the display of signage on adjacent private property, and that then opens a new front for the types of interchanges you have spoken about?

**Mr JENNINGS** — In terms of that issue, there is a regulated environment already. Any sign that may take place on private property has limits in relation to the size of a real estate board. In fact there would need to be council approval for anything beyond that dimension. So in terms of the regulatory environment, we are not reinventing the wheel in relation to that aspect of signage on private property.

**Mr RICH-PHILLIPS** — The aspect I would like to ask about this involves vehicles. There is an exemption for stickers on vehicles. Now, there are stickers, and there are stickers. The minister will have seen in the car park of this place vehicles with stickers on them — very prominent and extensive. Nonetheless they are stickers. Can the minister confirm that vehicles adorned with that type of material would be within the scope of not being prohibited by this provision?

**Mr JENNINGS** — It may be, depending on the view of the VEC, as they determine whether it breaches the spirit of what the intention of what this reform is to achieve.

**Mr RICH-PHILLIPS** — The difficulty there, Minister, is that it is not about the spirit; it is about the black-letter law, which provides an exemption for stickers on vehicles. Can we expect to see vehicles adorned with candidates' faces strategically located fighting for parking spots in the vicinity of polling booths?

**Mr JENNINGS** — Or they may be towed away if they are within 100 metres.

**Mrs PEULICH** — Just on mobile billboards, if someone has parked a mobile billboard, are they captured by the same rule?

**Mr JENNINGS** — Yes.

**Amendment agreed to; amended clause agreed to; clauses 37 to 39 agreed to.**

#### Clause 40

**Mr JENNINGS** — I move:

13. Clause 40, page 25, line 2, omit all words and expressions on this line.
14. Clause 40, page 25, line 3, omit "(b)" and insert "(a)".
15. Clause 40, page 25, line 6, omit "(c)" and insert "(b)".

These amendments remove the reference to 'elected member' from the definition of 'candidate' to facilitate the change of definition of political expenditure made by amendment 17, which is a subsequent amendment to the bill. Amendment 13 should be considered in context of what is going to happen with amendment 17. It is almost like a reverse consequential amendment. What we are actually covering for in political expenditure is in amendment 17, which is to make sure that there are consistent definitions and structure within the bill of a matter that is going to be dealt with in policy terms in amendment 17 to the same clause. That amendment removes the reference to the definition of 'political expenditure' for an elected member to be changed at the election and the registered political party to have endorsed a candidate at the election.

The amendment means that the definition of political expenditure will apply to promoting or opposing a registered political party or an elected member without needing to make a connection to a future election. Additionally, political expenditure will not include any material that is published, aired or otherwise disseminated outside the election campaigning period by an associated entity or third-party campaigner unless the material refers to a candidate or a registered political party and how this person should vote at an election. This amendment provides for clarity in relation to what advertisements or other published materials will be captured by the definition.

**Mrs PEULICH** — If I could just ask one question, this would obviously have no bearing on the Australian Taxation Office (ATO) definition of campaigning and

the rights of people to claim those expenses that are allowed under longstanding ATO rules.

**Mr JENNINGS** — No, it would not.

**Dr RATNAM** — I have got a couple of general questions on clause 40 but specific questions about later amendments, so they are not particularly related to amendments 13, 14 and 15. The first question references an earlier point I discussed around the Australian Charities and Not-for-profit Commission (ACNC). Can I ask why the government is adopting a different definition of political activity and approach to scorecards to the ACNC?

**Mr JENNINGS** — To simplify the matter, issuing a scorecard of the policy merits or record of the political parties is a method of campaigning that would not be considered to be political expenditure outside of the period between 1 October and the election date. The only time that a scorecard — that is all it is, a scorecard — would be read as directing a preference would be if it indicated to a prospective voter what the relative preference of those parties or those candidates might be in accordance with the criteria on the scorecard. For instance, if a scorecard gives you six stars, gives Mr Rich-Phillips five stars and gives my party two stars — a very unlikely contingency, but if it did — what it means is that the implied preference is being demonstrated by the star rating. Effectively it is issuing a scorecard to say, ‘Vote 1, you; vote 2, him; vote 3, me’. That is the context in which it will be roped in to be considered to be political expenditure.

**Dr RATNAM** — Has the government considered what the impact will be on philanthropic organisations giving to charities, given the tighter definition of political activity than is used by the ACNC and the extra reporting and administrative obligations on charities? If so, can you please share some of this analysis with us?

**Mr JENNINGS** — We understand that this reform is leading to some compliance issues and some implications for all registered political parties, associated entities and third-party campaigners, and the charities or the organisations that you have described in this context would be third-party campaigners. We understand that there are some obligations that are going to be set now that were not set previously. Effectively what we are attempting to do is not to deny freedom of expression and not deny engagement in the political process, but any organisation that chooses to act in the political process that spends more than \$4000 will be required, in the definition of political expenditure, to declare it and account for it.

I am fully supportive of the right of charitable organisations to pursue their social, community or environmental agendas and of the rights of their members to support that activity. If it is communication within the membership and subscription base of an organisation, that will not be covered by ‘political expenditure’ in this piece of legislation. If it is an external communication outside the membership that is either published or paid for in terms of its placement in the media, then it may be covered by ‘political expenditure’ if it meets the criteria of directing a vote. They can pursue social causes for the vast majority of the term of an election cycle — basically if there are 48 months of an election cycle, for 46 of them they can pursue those causes unabated.

**Mr RICH-PHILLIPS** — I indicate that the coalition does not oppose these amendments and the substantive ones that follow. I would like to ask the minister a couple of questions on some of the broader aspects of clause 40 of the bill with respect to definitions and interpretation. We are obviously going to amend the definition of ‘political expenditure’, but one of the key elements of political expenditure is the requirement that the dominant purpose be for directing how a person should vote. Can I ask you to elaborate on what ‘directing’ in that context means? How is a person directed? What is required to meet the definition of directing how someone votes?

**Mr JENNINGS** — I trust you were listening to my answer to Dr Ratnam just now.

**Mr Rich-Phillips** — Yes.

**Mr JENNINGS** — Okay, so that is an example. The preference is clearly conveyed in relation to the reasonable view of a voter, and in this case assessed by the electoral commission, that the reading of that material would say that you should or should not vote for a candidate or that the material refers to that candidate’s relative merits compared to other candidates. But it does not include, outside the election period, comments that say, ‘Candidate X is no good’, because that is a freedom of expression matter that does not come within the scope of the legislation. If that comment is paid for and published between 1 October and election day, the intent would be read to mean that it is encouraging people not to vote for candidate X.

**Mr RICH-PHILLIPS** — And outside of that period, is directing confined to the examples you have given?

**Mr JENNINGS** — Yes, it is.

**Mr RICH-PHILLIPS** — Minister, in respect to the definition of third-party campaigner, we are seeking here a clarification. There is a list of entities that are not third-party campaigners, such as a registered political party, a candidate in an election, a group, an elected member, an associated entity or a nominated entity. For the purpose of clarification, would members — that is to say, individual members — of a political party who are not endorsed candidates and are not elected members fall within the scope of third-party campaigners, or are they taken to be members of a registered party for the political activities they engage in?

**Mr JENNINGS** — It goes back to the example that I gave you before — mischievously, perhaps — in relation to some volunteers who might be on a railway line. They all might be members of the Liberal Party — they all might be — but their activity in the circumstances that you and I discussed earlier means that they are third-party campaigners because they have not acted in a way which is authorised by the Liberal Party or part of the Liberal Party campaign expenditure, and it may well be action that they have taken on their own behest. If they spend more than \$4000 doing so, then they are obliged to report that to the commission.

**Mr RICH-PHILLIPS** — Thank you, Minister. I am keen to understand the distinction between what is authorised, organised, by the party and what individual party members may do, and how that distinction is made, what the trigger is, between something that is party based — a party campaign to elect candidate A — and the individual activities of volunteer party members to elect candidate A, which apparently can fall within the scope of third-party campaigning as distinct from party campaigning, where there is the same objective, possibly the same activity. How is the distinction recognised for the purposes of the split in the bill?

**Mr JENNINGS** — The way that it is recognised is who takes account for what was the expenditure incurred in the campaign, through either the collateral publication or its dissemination. If there were costs incurred in any of those activities, then who accounts for it?

**Mr RICH-PHILLIPS** — So the members of a political party, using some funds that have been raised by selling raffle tickets at a branch meeting, then hire a stall at a local fete to promote a candidate. They have done that locally using branch funds; it has not come through the party headquarters or anything like that. Would that be party activity or would that be third-party campaigning? Given it is not organised

centrally, it is being funded by locally raised money and it is being done by members of the party, but they have initiated it themselves and funded it themselves, does that fall within third-party activity?

**Mr JENNINGS** — The example that you have given is a bit unfortunate, because the starting point of the story was that they organised the funds at a branch meeting, and because they organised the funds at a branch meeting it sounds to me like it is an activity associated with the branch functioning of the Liberal Party, so the example that you actually gave comes within the scope of political campaigning by the Liberal Party because of the way in which it was commenced in your question.

**Mr RICH-PHILLIPS** — Thank you, Minister. Taking that a step further and accepting that that is party political activity, is the branch then restricted from undertaking that activity itself without those funds going through a state campaign account and coming out as political expenditure at the local branch bank account being used by the local branch member? Because it is party activity, can they continue to do that as the local branch member with the local branch account, or does it then have to go through a state campaign account because it is party activity?

**Mr JENNINGS** — The answer to your question is that by and large that actually deals with the internal administration of the Liberal Party. There is nothing that precludes that expenditure occurring in the form and the way that you have described it. It is a matter of what the cumulative effect is of the funds that were spent there, ultimately by the trail of disclosures that go to the VEC. Now, I do not know the circumstances as to whether the Liberal Party has a consolidated series of accounts at its branches that then go en masse to the VEC or whether it is disaggregated and fragmented. I do not know — not my business. Working out how that is accounted for is an issue for the administration of the Liberal Party. There is nothing that precludes local branches raising money, subject to the donation restrictions that apply to everyone, to spend it locally as part of the Liberal Party. Ultimately the total campaign expenditure needs to be tallied up, as does the total regime of disclosure of donations that underpins the campaign as part of the Liberal Party.

How that is achieved goes back to one of the very first questions we asked about the compliance challenge that is associated with that. I do not underestimate how challenging that may be; you are probably exercising your mind about how challenging that may be. But in the examples that you have given we do not deny the opportunity for local branches and their members to be

able to raise funds locally subject to the donation cap. As long as they disclose what their expenditure is in accordance with the campaign, ultimately it has to cumulatively add to what is the Liberal Party's reporting.

**Mr RICH-PHILLIPS** — Thank you, Minister. Yes, I have given a bit of thought to how this would work in practice. I will step away from money. A very real, typical scenario would be local members of a party wanting to have a stall at a fair to promote a candidate. A party member says, 'I'll donate the helium gas for the balloons' — a couple of hundred dollars worth of helium. It is not done as cash; they go and get the cylinder and come back and fill the balloons. They have made a contribution to that campaigning activity at the local fair, or to the Liberal candidate. It has not been cash. There has been no cash go through accounts. They have just spent \$200 and turned up with a helium cylinder. Is that expenditure third-party campaigning which would contribute to that individual's \$4000 cap, or is that party expenditure? It sounds a bit esoteric, but it is actually a very typical, local type of activity.

**Mr JENNINGS** — Ultimately one way or the other it is a gift. It has a value. You have identified what the value is. It is considered to be a gift and there is nothing wrong with a gift. Somewhere along the line that value of \$200 has to come through the cumulative accounts of the Liberal Party to be identified as a \$200 donation. That is it.

**Mr RICH-PHILLIPS** — So it is a gift to the Liberal Party; it is not third-party campaigning?

**Mr JENNINGS** — No. It is a gift to the Liberal Party in the context that you have just raised.

**Mrs PEULICH** — How does the definition of a third-party campaigner impact on newspapers?

**Mr JENNINGS** — On newspapers?

**Mrs PEULICH** — Yes, as in expressing a view directing a vote — an editorial.

**Mr Rich-Phillips** — It is worth more than \$4000 of value with the editorial in the *Herald Sun* saying, 'Vote X'.

**Mr JENNINGS** — I am not sure what you thought the value was to you at the last election. We are not in the business, for better or for worse, of preventing freedom of expression of the press.

**Mrs PEULICH** — But I do not see anywhere in these amendments where that is protected.

**Mr JENNINGS** — It is protected because in fact there is no interpretation that they would fall within the scope of the bill.

**Mrs PEULICH** — Another hypothetical, if I may: just say I feel really aggrieved by some of the things that you have done, or it might be Ms Patten or whoever —

**An honourable member** interjected.

**Mrs PEULICH** — That would be very hard to believe. I might even take out a loan and pay for some of that stuff. No, hypothetically I am not a member of Parliament; I am an aggrieved citizen. I spent a fair bit of money printing something, and it is printed and paid for by 30 September. My intention is to get volunteers to hand it out during that period. Would that be an acceptable practice?

**Mr JENNINGS** — You have actually prepaid for something that is actually used in the context of political expenditure between October and November. Is that the question? You have prepaid for it, and it is going to be disseminated.

**Mrs PEULICH** — It has been printed, and it is going to be disseminated.

**Mr JENNINGS** — If it is disseminated between October and November, it counts because it is the distribution of it that matters.

**Mr RICH-PHILLIPS** — Minister, I just want to take you back to the scenario I used before about the fair with the donation of the gas. Just to clarify on the accountability or the responsibility for the reporting, in that scenario would the responsibility sit with the registered officer of the party or with the local party members?

**Mr JENNINGS** — With the nominated agent of the party, which I imagine would be the secretary of the party. Within that — sorry, I will just extend it a little bit — in terms of the reporting requirements the agent acts on the basis of what would be a reasonable expectation of the disclosure of information that comes to the agent, and in terms of whether they then fall foul of the reporting requirements there would be a natural justice element about whether that information was available to them or disclosed to them. There would be an expectation that your organisation, just like my organisation and others, would develop an internal accounting practice to be able to cover both local branches and members and head office in relation to what the cumulative effect is of gifts or donations that come to the Liberal Party and the cumulative

expenditure of it. There are no limits in relation to where the money gets spent or where it is derived.

**Mr RICH-PHILLIPS** — But ultimately does the legal accountability sit with the registered agent?

**Mr JENNINGS** — Yes, it does.

**Mr RICH-PHILLIPS** — Just one other matter I would like to seek clarification on, Minister, is the definition of —

**Mrs Peulich** — On a point of order, Acting President, I do not mean to be pedantic, but there has been an increasing number of interactions between members in the chamber and the gallery; it has happened tonight on a repeated number of bases. This piece of legislation may not be important to some, but it is critically important to many. We are trying to actually pay attention to the detail, but I think in any circumstance the standing orders in relation to communication with the gallery ought to be followed.

**The ACTING PRESIDENT (Mr Elasmarr)** — Thank you, Mrs Peulich. I would like members in the chamber to bring their attention back to the bill and the debate.

**Mr RICH-PHILLIPS** — Minister, it is within the very long definition of ‘gift’ on page 29 and the reference to provision of labour shared between a registered political party and any other branch of the registered political party. I just want to clarify there that ‘branch’ in that context does not mean branch in a local branch sense; it means the different state divisions.

**Mr JENNINGS** — Yes, different states.

**Mrs PEULICH** — I am just receiving some questions from keen followers of this debate as it is being streamed, and further to the issue of when it is printed and when it is distributed, the question I have been asked to ask you is: anything printed, say, in the four to six months before 1 October has to be monitored to check if its use amounts to breaches. Is that what is going to happen? How is that going to be policed?

**Mr JENNINGS** — Earlier in the committee you actually asked me a series of questions about the authorisation process that already exists, and that continues to exist; the authorisation exists. Who is taking accountability for the distribution of this material, and then ultimately the question of whether it is deemed to be political expenditure in the context of the bill, depends on what it says. Ultimately it depends on what it says and the time at which it is said.

**Mrs PEULICH** — I accept that. What happens if there is a piece of literature or propaganda or a political flyer that has been prepared that would be compliant prior to 1 October that is then replicated by a third party and distributed during that prohibited period?

**Mr Jennings** — Replicated?

**Mrs PEULICH** — Photocopied and letterboxed — what happens?

**Mr JENNINGS** — I think the electoral commission would form a view about whether that is a real replication by a third party or a contrivance that is designed to get around the rules, and they would form their view about that.

**Mrs Peulich** — But it may not be a contrivance.

**Mr JENNINGS** — No, I know. I am just saying to you that they would have to form a view. But the photocopying and distribution would not — I will not make a guess about its production costs. But the real issue is: what is the production cost, what is the distribution cost, when is the distribution occurring and who takes accountability for the payment that is associated with those outcomes at the time of distribution.

#### Amendments agreed to.

**Mr JENNINGS** — I move:

16. Clause 40, page 25, line 16, after this line insert—

“*election campaigning period* means the period—

- (a) commencing on 1 October in the year of a general election as a result of the expiration of the Assembly and ending at 6 p.m. on the day of the general election; or
- (b) commencing on the day on which the writ is issued for any other election and ending at 6 p.m. on the day of the election;”.

17. Clause 40, page 26, lines 28 and 29, omit all words and expressions on these lines and insert—

“(b) a registered political party; or

(c) an elected member—

but does not include expenditure incurred by an associated entity or third party campaigner on any material that is published, aired or otherwise disseminated outside of the election campaigning period unless the material refers to—

- (d) a candidate or a registered political party; and
- (e) how a person should vote at an election;”.

I have already referred to amendment 17 in a previous example, so I will not necessarily repeat it. But amendment 16 to clause 40 inserts a definition of ‘election campaigning period’, which is in fact the matter that we have been discussing at some length during the course of the committee, so it is not going to come as any surprise to people that this provision is an important one. Right at the most important clutch moment of a campaigning period between the caretaker period from 1 October and the election, it will be deemed to be that whatever is communicated is most likely to be tested against whether its purpose is to direct a vote.

**Dr RATNAM** — Chair, if you are putting both amendments 16 and 17, I have some questions on amendment 17. The effectiveness of donations regimes hinges on the definitions of ‘political expenditure’ in the bill, as has been canvassed before. But it is our view that the government have potentially got themselves into a bit of trouble — hence some of these amendments. Instead of following the lead of established political donations regimes and other existing definitions of political activity, we feel the government might have gone out on its own. This has the potential to have unexpected implications, particularly for third-party campaigners. I would like to ask a series of questions for some clarity around some of those provisions.

The government amendment provides greater clarity, and we welcome that, for the time outside the designated election period. However, with the period from 1 October to the election date there seems to be a lack of clarity as to how organisations can engage in genuine political advocacy without getting caught up in laws designed to remove undue influence from politics. With that in mind, I have a series of questions for the minister putting a range of scenarios to explore what types of activities would be captured and what would not, with the focus on this election period.

For example, a not-for-profit organisation with a focus on a particular issue — it could be any issue: preventative health, workers rights, homelessness, water and drought, reducing state taxes et cetera — have a policy program that they believe will address their issue and ask the political parties to indicate their position on the policy program. They take that information and develop a policy analysis, comparing the various parties’ positions and rating the parties accordingly. I just want to test these scenarios in terms of what will be covered and defined as political expenditure. In that scenario, if the information is then put on their website, does that fall within the definition of political expenditure?

**Mr JENNINGS** — No, it does not.

**Dr RATNAM** — The next scenario is, with that example, they email their analysis, including ratings or scorecards, to their membership and supporter list. Does that fall into the definition of political expenditure?

**Mr JENNINGS** — No, it does not.

**Dr RATNAM** — They put the scorecard up on social media; does that fall within the definition?

**Mr JENNINGS** — If it is a paid placement. In the form that you describe this analysis it is specifically in relation to: what is the party’s response to a policy proposal? And that is all that it is saying, isn’t it?

**Dr Ratnam** — Yes, that’s right.

**Mr JENNINGS** — If that is what it is saying, then the answer will depend upon the costs incurred and the distribution network, but it is most likely to fall outside.

**Mrs PEULICH** — Can I just ask one question in relation to that? Paid sponsorships of a page or an advertisement would fall within expenditure, but sharing would not?

**Mr Jennings** — Sharing?

**Mrs PEULICH** — Sharing posts.

**Mr JENNINGS** — The reason I differentiate it is in fact the question about an email trail or an internal newsletter in that sense — so it is a distribution of information amongst a membership of an organisation — is not limited by this definition.

**Mrs PEULICH** — But I think you asked about supporters as well, Dr Ratnam.

**Dr RATNAM** — Yes, just in terms of the scenario that they put the scorecard up. So to the previous question, which was that they email their analysis, including their ratings or scorecard, to their membership and supporter list, you answered that it does not fall within the definition of political expenditure. The next scenario is if they put their scorecard up on social media. So they have a Facebook page; they put the scorecard up on social media. I was going to ask a subsequent question about whether if they pay to promote that social media post that falls within the definition. I would like to test out both scenarios: where it is an unpaid post and a paid post, do either or both fall within the definition of political expenditure?



**Mrs PEULICH** — And you could also include that question about sharing and unpaid posts, which could actually have an even more extensive reach.

**Mr JENNINGS** — Maybe I will just actually read something that has been prepared for me in relation to this issue. Comments on political issues in newsletters or on social media do not make an entity or a third party a campaigner, and the scheme is not about regulating commentary on Victorian politics. Groups will only be called third-party campaigners and be subject to the scheme's obligations if they spend more than \$4000 in a financial year on political expenditure or receive more than \$4000 of political donations during the financial year.

So there are two tests. One is: how much money comes in? If it is above \$4000, you have got to be included. If you spend more than \$4000, you have got to be included. Simply adding a comment or a post to an existing website and not spending money to do so would not be caught as political expenditure. Similarly, if a third-party campaigner published a quarterly newsletter to members and incurred a cost to publish this regular newsletter, simply adding a comment or section directing people how to vote would not constitute political expenditure, because this was not the dominant purpose of publishing the newsletter. If a third-party campaigner paid an agency to create a video directing people how to vote for a registered political party or candidate to put up on a social media feed, this would be captured as political expenditure.

**Mrs PEULICH** — On the same issue, I am surprised that the amendment does not capture the modern phenomenon of social media, because clearly, for example, sharing a post which has been deliberately crafted to achieve a particular outcome could have a far greater reach than that which could be purchased by \$4000 worth of flyers, in particular if you are talking about perhaps a very large, say, union, which could have an extensive membership base or any other organisation that has a significant membership base. It seems to be that the reach and the capacity to influence votes is only judged in your legislation by the expenditure.

**Mr JENNINGS** — Regarding the expenditure associated with the amendment, this cannot be an example where you use it as a mechanism to regulate the internet, and you would not expect it to be. It would be folly to expect that that would be the case. What it can do is —

**Mrs Peulich** — It is just a way of circumventing the legislation.

**Mr JENNINGS** — You may form that view for a variety of reasons, but that is not the reason behind my response. Similarly in relation to previous questions about the media, which is commercial news media, print media or media in this context — the internet — this is not to limit freedom of expression. But what it does say is that if you act in a particular way and either derive money to spend in a political context or spend above \$4000 in a political context, then you are obliged, if you spend it, to account for it and then be assessed by the electoral commission as incurring those costs and being accountable for them. So it clarifies who is actually paying for political campaigning. It is to clarify the authorisation and to clarify who is paying for what in relation to political campaigning.

**Dr RATNAM** — Thank you, Minister. If I am correct in terms of assessing your response, in the scenario where there is policy analysis, where an organisation has developed analysis on the various party positions and rated the parties accordingly, if they put a Facebook post up which is not paid for but is just part of their usual way of broadcasting to people — perhaps their own members and supporters but there might be other people following the page who are not technically their members or supporters but who want to stay up to date with information — that would not be covered as political expenditure, but if they put in some money to boost that post then it would be. Is that a fair summary?

**Mr JENNINGS** — Yes and yes.

**Dr RATNAM** — The next scenario involves an organisation that holds an open public community forum on the issue and discusses the policy analysis it has undertaken. Does that fall within the definition?

**Mr JENNINGS** — No.

**Dr RATNAM** — What if printed materials that include a scorecard are handed out at stalls or out the front of shops?

**Mr JENNINGS** — It is a matter of what the effect of the scorecard is. With the example that I gave you before, if there is a clear hierarchy that actually gives a preference, it counts within the period of 1 October to 25 November this year. So that is the idea, from caretaker mode until election day, but for 46 out of 48 months of the electoral cycle it does not count.

**Dr RATNAM** — The final one involves an organisation that organises volunteers to doorknock on an issue, which includes talking about what the party's position is on this issue.

**Mr JENNINGS** — The only element that could be is the organising part: is it a paid activity or is it in fact a voluntary activity? If it is a paid activity — it is associated with the distribution of information supporting the campaign — it contributes to political expenditure, but the volunteer effort does not. It is either the collateral or the cost incurred with the distribution. If the organising does not involve any cost, then it does not; if it does involve cost, then it does.

**Mrs PEULICH** — Further to that, would the use of paid unionists in that sort of activity be considered political expenditure? For example, as they were doorknocking Frankston last weekend, or as they will be doorknocking in Monbulk in the near future, does that count towards political expenditure?

**Mr JENNINGS** — It applies to unions in exactly the same way as I have answered the last questions.

**Dr RATNAM** — Thank you, Minister, for those responses and for teasing out those scenarios. I have just a couple of comments generally on the amendments in light of that. I will refer to activities that are allowed under charities law when it comes to scorecards and policy analysis as opposed to suggesting explicitly to vote for or against a particular party. Charities law explicitly prohibits charitable entities from engaging in political activities that support or oppose a political party. So this inconsistency is a real challenge for charitable organisations which rightly should have the ability to engage in advocacy on the issues at the heart of their work. We have repeatedly raised our concerns around the possible implications of the bill on genuine political debate, and we will be keeping an eye on how this element rolls out. We hope the review takes these significant matters into account.

Another concern that we have raised relates to small local community groups. They are not organised, funded organisations per se but local citizens who get together about a local issue. If one member, for example, of such a group wants to provide \$5000 to print some flyers or posters calling on political parties to save the local school or stop the destruction of a local park, will this group be captured? Should they be treated the same as million-dollar property developers?

**Mr JENNINGS** — Yes — in the example that you have given the answer is yes, because they would be limited to \$4000. At the beginning there was a comment in relation to being alive to this issue to be able to make sure that there are no long-term adverse consequences for small charitable organisations, and I recognise that concern. I am very happy for that to be tested in subsequent reviews to actually see whether

there are any adverse unintended consequences for those organisations.

**Dr RATNAM** — Thank you very much, Minister. We appreciate that. We are very, very concerned about this, and the prelude was also around the alignment with the existing charities law and making sure that there are not huge inconsistencies that add so many layers of administrative burden for organisations that are often struggling to survive but are passionate about the work they do and organise and mobilise large groups of volunteers to be able to effect good social and environmental outcomes, for example. So we would really urge you to take it under serious consideration.

**Mr JENNINGS** — And we do.

**Mrs PEULICH** — In view of the answers and the case studies — and I would like to thank Dr Ratnam for raising them — how can members of the public ascertain who is a paid union organiser and who is a volunteer? Will the unions be required to keep a list of, say, political activities that are organised by the union, and with two columns — paid and unpaid? Is there some way of the public being confident that in actual fact there is no fudging of these rules, that union-paid officials are denoted as such and that unpaid volunteers are also assigned as such? Is there going to be a register, and how will that be available publicly?

**Mr JENNINGS** — Without being perhaps as prescriptive as you might have been in relation to the format of the reporting requirements, the answer to your question is: if a union as a third-party campaigner, just like any other third-party campaigner, embarks on political expenditure as it is defined for everybody else, then they would be required to account for the value of the organising or the collateral or the distribution of material, and they would be required to account for that with the electoral commission.

**Mrs PEULICH** — So each union-organised doorknock will be reportable to the electoral commission, denoting the in-kind value of paid officials in that activity — is that correct? So if we keep a register of those dates, that information will be submitted to the VEC and we will be able to scrutinise that at an appropriate time?

**Mr JENNINGS** — Well, yes, if you so desire, but there might be people who are vigilantes and actually watching out for Mr Rich-Phillips's branch members doing exactly the same sort of thing. In fact there might be —

**Mr Rich-Phillips** — They're not paid.

**Mr JENNINGS** — I beg your pardon?

**Mr Rich-Phillips** — They're not paid, the branch members.

**Mr JENNINGS** — Are your members not employed, some of them?

**Mrs Peulich** — No, they're not paid; they're volunteers. We still have branch members, unlike you. You killed them off.

**Mr JENNINGS** — People can volunteer in all walks of life.

*Honourable members interjecting.*

**The ACTING PRESIDENT (Mr Elasmarr)** — Thank you, members.

**Mr JENNINGS** — So my point is that it is the issue about the expenditure associated with the organisation, the creation and the distribution that has to be accounted for.

**Mrs PEULICH** — So for every activity that the union is involved in organising, will it have some method of reporting and submitting that to the VEC? Could you explain the machinery and how that would work?

**Mr JENNINGS** — It works in exactly the same form for every other third-party campaigner according to every discussion we have actually had about how it applies to third-party campaigners. Unions, if they choose to embark upon political expenditure and campaigning as third-party campaigners, are subject to exactly the same rules as every other community organisation.

#### **Amendments agreed to.**

**Mr JENNINGS** — I move:

18. Clause 40, page 27, line 16, after "that" insert "receives political donations or".

This amendment expands the definition of third-party campaigner to be the person or entity that receives a political donation or incurs a political expenditure which exceeds a total of \$4000 in a financial year. Currently the definition in the bill is limited to \$2000. Effectively we have been responsive to some concerns that have been expressed that in fact the threshold was too low.

**Dr RATNAM** — Thank you, Minister, and thank you for responding to some of those concerns which we

raised about increasing that threshold for a number of the reasons outlined relating to the previous amendments. We agree to this change and in fact have been pushing for it. We are open to the amount increasing further to help small local groups, as articulated previously, to engage on local political issues, but we do support the amendment as it stands; it is an improvement on what is currently in the bill.

**Mr RICH-PHILLIPS** — The coalition also supports the intent. I note the minister referred to expanding the definition of third-party campaigner, but I think in reality we are talking about narrowing what is a third-party campaigner by virtue of increasing the trigger so fewer people get caught within the third-party campaigner definition.

**Mr JENNINGS** — Yes, I read something without self-editing it — good pick-up.

**Mr RICH-PHILLIPS** — On that basis we will not oppose this amendment.

#### **Amendment agreed to.**

**Mr JENNINGS** — I move:

19. Clause 40, page 27, line 17, omit "\$2000" and insert "\$4000".

**Mr JENNINGS** — It has the same threshold in relation to the receipt of political donations, so it is the same threshold, \$4000.

#### **Amendment agreed to.**

**Mr JENNINGS** — Amendments 20, 21, 23 and 24 remove the definition of 'gift'. The definition of gift in the provision excludes annual subscription fees paid to associated entity or a third-party campaigners. There are a number of linked amendments that I just want to draw the house's attention to. Amendments 20, 21, 23, 24 and 29 have the cumulative effect that I am just about to describe to you. The cumulative effect here is that the current bill has the ability to limit organisations such as small organisations and third-party campaigners so that their membership subscription is able to support political expenditure — it is limited.

It was an unintended consequence of the structure within the bill, because the bill actually has a separation of administrative functioning from political expenditure functioning for registered political parties. That provision was mirrored for associated entities and third-party campaigners, which in retrospect in the government's view was overreach. The reason why you do it for registered parties is that registered parties are going to be receiving public expenditure, public

funding, for campaigning activity that has to be separated administratively from your administrative function. That does not apply to third-party campaigners or associated entities because they will not be receiving public funding. So it was an overreach.

We mirrored the provision to apply to entities that will not be deriving public funding. There is no reason for us to have an artificial divide between the membership fees and political expenditure, particularly for small organisations, where the only source of revenue they may have is their membership fees. The important thing — given that I have noticed some furrowed brows over there — is that the interlocking nature of these amendments is to prevent this provision allowing for a breach of the donation cap or being used as a contrivance to actually move money into political campaigning outside the reach of a donation.

So for any membership fee a notification or an authorisation is required for an element of that membership fee that may be able to be used for political campaigning — that will need to have an authorisation. It will be prevented from breaching the cap on political donations to that entity.

**Mr RICH-PHILLIPS** — Firstly, can we just clarify whether we are skipping over amendment 22?

**Mr JENNINGS** — Yes, amendment 22 is there for an associated reason, but in fact there are a whole series of amendments that relate to making sure that Victorian law does not prevent donations coming to political organisations that would be able to be used by those organisations for expenditure in commonwealth elections, and there is a requirement that any money that is donated for the purposes of having it attached to commonwealth elections will need to be kept in a separate account and not come into the state-based political expenditure account. I did not group amendment 22 with the others for that reason. It is one of the numerous items to make sure that we do not fall foul of commonwealth electoral law.

**Mr RICH-PHILLIPS** — Thank you, Minister. Just a further clarification, Acting President: the running sheet suggests that these amendments need to be moved by leave, given we are skipping an amendment. Can you clarify that?

**The ACTING PRESIDENT (Mr Elasmr)** — I take your point, Mr Rich-Phillips. Minister, I ask you to move your amendments by leave.

**Mr JENNINGS** — I had not referred to the sheet. I just drew the committee's attention to the fact that they were all interlocked. It would be preferable in these

circumstances — now that I have described the cumulative effect of them — to seek leave of the committee to move them together.

**Mr RICH-PHILLIPS** — I have no concerns about granting leave for that, but I indicate at this point that the coalition will be opposing that group of amendments.

**Mr JENNINGS** — By leave, I move:

20. Clause 40, page 28, lines 19 to 26, omit all words and expressions on these lines and insert—
  - “(g) an annual subscription paid to a registered political party by a person in respect of the person's membership of the registered political party;”.
21. Clause 40, page 28, lines 30 to 35, and page 29, lines 1 to 10, omit all words and expressions on these lines and insert—
  - “(i) an annual levy paid to a registered political party by—
    - (i) an elected member or a member of staff of the elected member (including an electoral officer); or
    - (ii) an employee or elected official of the registered political party;”.
23. Clause 40, page 31, line 10, omit “expenditure;” and insert—
  - “expenditure—
  - in which case, the whole or the part of the gift used, or intended to be used, for the purposes specified in subparagraphs (i) and (ii) is a political donation;”.
24. Clause 40, page 31, line 25, omit “expenditure;” and insert—
  - “expenditure—
  - in which case, the whole or the part of the gift used, or intended to be used, for the purposes specified in subparagraphs (i) and (ii) is a political donation;”.

**Mrs PEULICH** — Just one question, if I may. I have a particular organisation in mind which would probably fall into the category of being a third-party campaigner that does receive some grants, some public money, which is perhaps not applied to the political campaigning purpose, but it might be able to use those grants for some of its other operations, including an organisation and support role for some of that political campaigning. How is that scrutinised?

**Mr JENNINGS** — In terms of the example you have given, we are not limiting the sources of revenue that organisations derive —

**Mrs Peulich** — Some of which may be public.

**Mr JENNINGS** — Well, which include public funding. It is a matter of the contractual arrangements in relation to public funding and the purposes that public funding is provided for, and I would be amazed if they did not preclude the ability for it to be used as political expenditure. The issue that we are dealing with is how the funds of the organisation are delineated to ensure that if political donations above \$4000 occur, that is accounted for through a separate account that will not be in receipt of specific grant funding but may be based upon either donations or the subscription membership base of that organisation.

**Mrs PEULICH** — Thank you for that. So an organisation may receive funding for perhaps less visibly political purposes, one of which may include generating membership and fundraising, with that fundraising then being available to apply to political activity. How do those two interface? I am thinking of Environment Victoria, to be honest with you, and I have read about it and I follow it. How is that monitored and who is responsible for holding them to account and scrutinising the way that public funds may be used to support and prop up and increase through recruitment, and in particular through fundraising, money that is then available to be applied in political campaigns against a political party?

**Mr JENNINGS** — In the example that you have given, the organisation in question is most unhappy with me at the moment for limiting —

**Mrs PEULICH** — They are also very unhappy with me.

**Mr JENNINGS** — Well, that might be something. See? We, all of us, have elements of political life that unite us.

**Mrs PEULICH** — I do not think so.

**Mr JENNINGS** — Well, in this instance we have found one. The issue again is the accountability of the expenditure in relation to political expenditure as it is defined in the act. What it will mean is that that organisation or other organisations will actually have to make an assessment about their activity in terms of what is the crossover between their broader social or environmental objectives and the expenditure that they acquit on political campaigning. They will be making decisions about that, and if they make a decision to have political expenditure, then they will have to account for it.

**Mrs PEULICH** — So who would be responsible for perhaps applying some scrutiny to those types of murky arrangements?

**Mr JENNINGS** — Well, the Victorian Electoral Commission is responsible for the accountability of this scheme. When we started the committee we actually discussed the accountability framework and the compliance regime and the capacity that is going to be associated with the VEC, and that will be their obligation.

**Mrs PEULICH** — So, Minister, in view of your remarks, has the government considered how any grants that it makes available across the portfolio should also have a protocol or a guideline which underscores the importance of those funds not being used to either support or to fund political activity?

**Mr JENNINGS** — I think it is wise that you raise that matter with me. It is not an issue that we have actually discussed broadly within government, but I recognise that there may be some value in that clarity if in fact there is any potential for that not to be evident in the contractual arrangements that underpin the grants programs that this government or other governments may support for community organisations. I would believe as a starting point that there was an expectation that public money would not be used in the form that you are concerned about, but I think we have to be vigilant about it.

**Mrs PEULICH** — So, Minister, do you undertake to strengthen the protocol to make sure that there is no ambiguity, and indeed where it is not clear that it is made clear? How soon do you expect that to occur?

**Mr JENNINGS** — Well, I will take advice about the timeliness of it, but I am very keen to make sure that what is associated with this legislation builds confidence. I may fail in achieving your confidence, but I will work hard to try to get some. I will try to see what, if any, additional clarification or guidance material — or contractual arrangements for that matter — may be necessary to prevent grant money being used in that way.

**Mrs PEULICH** — Minister, should it be made clear at the outset, before people or organisations actually apply for grants, that this is one of the important conditions?

**Mr JENNINGS** — I think in many instances it is clear already, but this legislation will bring a greater focus on these matters than there has been previously. The irony of your line of questioning and your concern is that it may well be that organisations will already feel

as if they are under greater scrutiny than they have been previously, and we are actually now talking about the way in which we treat compliance with that.

**Mrs PEULICH** — Thank you, Minister. So I will be on the lookout for the government grants to ensure that the new arrangements will be reflected in the protocols.

**Dr RATNAM** — If I could just make a couple of statements. We will be supporting Mr Jennings moving amendments 20 to 24 together. Just a couple of comments on amendments 20 and 21 — we believe membership-based organisations should be able to use membership fees, with the consent of their members, in political activities, hence the Greens support those amendments. In terms of amendment 22 relating to donations for commonwealth elections not being paid into the campaign account, we appreciate the difficulty for the state government to be able to regulate donations provided for federal elections. We know this is a jurisdictional issue and it leaves quite a big hole in the donations regime in the bill, but I think it means that we have to double our efforts to get robust political donations reform at a federal level, and I hope everyone in this place will join those efforts.

**The ACTING PRESIDENT (Mr Elasmr)** — Thank you, Dr Ratnam, but we are not up to amendment 22 yet.

**Mrs PEULICH** — I have just got one last question. Coming back to social media and promotion — just to digress back. What about the sharing of an online poll on social media? Would that be considered to be —

**Mr Jennings** — The sharing of an online what?

**Mrs PEULICH** — An online poll on social media. Would that be considered to be a political activity?

**Mr JENNINGS** — Ultimately and most likely the answer is no. There could be a push poll that could be paid for and the answer would be yes, but from the way that you describe it the answer would be no.

#### Committee divided on amendments:

*Ayes, 22*

Bourman, Mr	Patten, Ms
Dalidakis, Mr	Pennicuik, Ms
Dunn, Ms ( <i>Teller</i> )	Pulford, Ms
Eideh, Mr	Ratnam, Dr
Elasmr, Mr	Shing, Ms
Gepp, Mr	Somyurek, Mr
Jennings, Mr	Springle, Ms
Leane, Mr	Symes, Ms
Melhem, Mr	Tierney, Ms
Mikakos, Ms ( <i>Teller</i> )	Truong, Ms
Mulino, Mr	Young, Mr

*Noes, 18*

Atkinson, Mr	Morris, Mr
Bath, Ms	O'Donohue, Mr
Carling-Jenkins, Dr	Ondarchie, Mr
Crozier, Ms ( <i>Teller</i> )	O'Sullivan, Mr
Dalla-Riva, Mr	Peulich, Mrs
Davis, Mr	Purcell, Mr ( <i>Teller</i> )
Finn, Mr	Ramsay, Mr
Fitzherbert, Ms	Rich-Phillips, Mr
Lovell, Ms	Wooldridge, Ms

#### Amendments agreed to.

**Mr JENNINGS** — I move:

22. Clause 40, page 29, line 17, after this line insert —

“(ja) a gift made for Commonwealth electoral purposes that is not paid into the State campaign account;”.

In the discussion that we have just had we outlined the purpose of amendment 22, which is to make sure that the provisions that place limits on donations and expenditure that come within state political campaigning do not actually inhibit or prevent donations or expenditure being generated by political parties for commonwealth electoral purposes.

**Mr Davis** — It is pretty clear from the High Court case that they can't anyway.

**Mr JENNINGS** — Yes. This provision enables us to make sure that we do not fall short of that, that we do not fall foul of that test.

#### Amendment agreed to; amended clause agreed to; clauses 41 and 42 agreed to.

#### Clause 43

**Mr BOURMAN** — I move:

1. Clause 43, page 37, line 6, omit “An” and insert “Subject to subsection (3), an”.
2. Clause 43, page 37, line 22, after this line insert —

“(3) Despite subsection (2), if the first appointment of an entity as the nominated entity of a registered political party is made before 1 July 2020, an entity is eligible to be appointed as the nominated entity of the registered political party if the entity is an incorporated body —

- (a) that
  - (i) operates for the principal benefit of the members of the registered political party; or
  - (ii) is established and maintained, or is the trustee of a trust established and maintained, for the principal benefit of

the members of the registered political party; and

- (b) that does not have voting rights in the registered political party.”.

3. Clause 47, page 37, line 23, omit “(3)” and insert “(4)”.

This is a basic attempt to make sure there is equity in this whole situation.

**Mr JENNINGS** — I just wish to indicate to the committee that it was always the intention of the government to agree to this opportunity to make sure that there was reasonable access to assets and income management within political parties. This amendment that Mr Bourman has moved will be supported by the government.

**Mr RICH-PHILLIPS** — I can indicate that the coalition will also support this amendment, which seeks to broaden the definition of a nominated entity in proposed new section 222F.

**Dr RATNAM** — The Greens will be opposing this amendment, as outlined earlier. We believe the provision of nominated entities contained in this bill poses a massive loophole and supports some of the established structures where you have got these massive funding vehicles with very little transparency and accountability. Essentially you are shifting a number of the issues that you are actually trying to address through donations law reform. We just reiterate our concerns around nominated entities in this bill, and we think this amendment seriously undermines it even further.

#### Committee divided on amendments:

##### Ayes, 33

Atkinson, Mr	Mikakos, Ms
Bath, Ms	Morris, Mr
Bourman, Mr	Mulino, Mr ( <i>Teller</i> )
Carling-Jenkins, Dr	O’Donohue, Mr
Crozier, Ms	Ondarchie, Mr
Dalidakis, Mr	O’Sullivan, Mr
Dalla-Riva, Mr	Peulich, Mrs
Davis, Mr	Pulford, Ms
Eideh, Mr	Ramsay, Mr
Elasmar, Mr	Rich-Phillips, Mr
Finn, Mr ( <i>Teller</i> )	Shing, Ms
Fitzherbert, Ms	Somyurek, Mr
Gepp, Mr	Symes, Ms
Jennings, Mr	Tierney, Ms
Leane, Mr	Wooldridge, Ms
Lovell, Ms	Young, Mr
Melhem, Mr	

##### Noes, 6

Dunn, Ms	Ratnam, Dr ( <i>Teller</i> )
Pennicuik, Ms	Springle, Ms
Purcell, Mr	Truong, Ms ( <i>Teller</i> )

#### Amendments agreed to.

#### Amended clause agreed to.

#### Clause 44

**Mr JENNINGS** — I move:

25. Clause 44, page 41, line 6, after this line insert—

“*administrative expenditure funding* means funding paid to a registered political party or an independent elected member for administrative expenses, including expenses incurred in complying with this Part;”.

This amendment inserts a new definition of ‘administrative expenditure funding’ in clause 44, which will mean funding paid to a registered political party or an independent elected member for administrative expenses, including expenses incurred in complying with part 12 of the Electoral Act 2002. This amendment is to provide guidance about the appropriate use of the funds.

**Dr RATNAM** — Just to make a few brief comments, we welcome the clarification on what a party can spend its administration funding on and what it cannot. We think it is an important amendment to ensure that public funding to political parties for administration is spent on administration. I just wanted to ask the minister to clarify for me that the types of things this money can be spent on include any staff of a political party, rent, IT services, software, websites, databases and accounting, and the sorts of things it cannot be spent on are things like billboards, TV ads, printed materials, promoting the party or an MP or candidate. If the minister could please confirm that.

**Mr JENNINGS** — I can confirm yes and yes.

#### Amendment agreed to.

**Mr JENNINGS** — I move:

26. Clause 44, page 41, lines 7 to 9, omit all words and expressions on these lines.

27. Clause 44, page 41, line 15, after “member” insert “;”.

Amendment 26 removes the definition of election quarter from being inserted in section 206 of the Electoral Act. The definition will be inserted by amendment 45 within proposed new section 207G, which is the relevant section which refers to the definition. Amendment 27 corrects a typographical error in the definition of a registered agent by inserting a comma after the words ‘elected member’.

#### Amendments agreed to; amended clause agreed to.

**Clause 45**

**Mr JENNINGS** — I move:

28. Clause 45, page 42, line 2, before “After” insert “(1)”.

Amendment 28 groups the register of agents and state campaign account provisions with a new clause 45 (1). This is necessary to facilitate the different commencement date for these provisions. Item 1 provides for clause 45(1) to commence on 25 November 2018. I have explained that issue earlier in the committee — that in fact there will not be a requirement to have a state expenditure account prior to the election later this year, but it will have to be in place from that date onwards.

**Amendment agreed to.**

**Mr JENNINGS** — I move:

29. Clause 45, page 48, lines 30 to 36, and page 49, lines 1 to 8, omit all words and expressions on these lines and insert—

“(5) If a registered agent of an associated entity or a third party campaigner pays into the State campaign account an amount received as—

- (a) an annual subscription paid to the associated entity or third party campaigner by a person in respect of the person’s membership of the associated entity or third party campaigner; or
- (b) an annual levy paid to the associated entity or third party campaigner by an elected official or employee of the associated entity or third party campaigner—

the amount is to be taken to be a political donation within the meaning of section 206(1) and sections 216, 217D, 217J and 217K apply accordingly.”.

Amendment 29 removes new section 207F5 which prevents an associated entity or third-party campaigner from paying an amount received as an annual subscription fee or annual levy to the state campaign account. I foreshadowed this earlier. This is related to a provision in amendments 20, 21, 23 and 24, and we have discussed the policy reasons why this amendment enables that transfer of money within those organisations.

**Mr RICH-PHILLIPS** — Can I seek clarification from the minister? Subclause 5 explicitly refers to annual subscriptions and annual levies. Can you outline what is intended by annual — is it a levy that is struck only on an annual basis and paid only on an annual basis? Or can that be read as including a levy which is paid on a monthly periodic basis?

**Mr JENNINGS** — Yes, it does not prevent what the instalments regime may be, but it does assume that there is an annual subscription rate that actually applies to membership of an organisation. In terms of the way in which a third-party campaigner may need to take account of their subscription base, they may need to have an annual attribution to their membership base to make sure that they comply. That does not prevent it from being paid monthly, paid weekly or paid once every two years on what is the apportionment that actually applies to a year.

**Amendment agreed to.**

**Mr JENNINGS** — By leave, I move:

30. Clause 45, page 50, line 30, omit “group.” insert ‘group.’.

31. Clause 45, page 51, line 1, omit all words and expressions on these lines and insert—

“(2) Before section 208 of the **Electoral Act 2002** insert—

“**Division 1C— Administrative**’.

35. **Suggested amendment to the Legislative Assembly -**

Clause 45, page 53, line 25, omit “paid into the State campaign account or”.

45. **Suggested amendment to the Legislative Assembly-**

Clause 45, page 54, line 24, after this line insert—

“(12) In this section, *election quarter*, of a year in which a general election is held, means the quarter of that year beginning on 1 October.”.

47. Clause 45, page 54, line 27, after this line insert—

“(3) In section 207G(6) of the **Electoral Act 2002**, after “not” insert “paid into the State campaign account or”.’.

The first of these amendments, which is perhaps the most benign one, inserts a quotation mark to identify the end of the new section inserted by clause 45(1) as amended by amendment 28. Then, beyond this, the amendments remove the references to ‘state campaign account’ from proposed new section 207G(8). As new section 207G, ‘administrative expenditure funding’, will now commence earlier than the state campaign account provisions, it is necessary to remove this reference. Amendment 47 will reinsert the reference back into a new section 207G(8) at the same time that the state campaign account provisions commence.

Suggested amendment 45 reinserts the definition of ‘election quarter’ as the new section 207G(13)(a). Amendment 26 had removed the definition of ‘election



quarter' being inserted in section 206(1) of the Electoral Act.

Amendment 47 reinserts the reference to 'state campaign account' in proposed new section 207G(6) at the same time that the state campaign account provisions commence. This reference was removed by amendment 35 because the state campaign account provisions now commence later than the administrative expenditure provisions.

That is all a little bit messy and a little bit complicated, but effectively what it means is that within the same clause, clause 45, there is a shift of the reporting requirements and the establishment requirements of the administrative fund and the application of the delineation with the state campaign account that has to occur from 25 November onwards.

**Mr RICH-PHILLIPS** — Minister, I appreciate the intention to shift the requirement for the state campaign account. What is the basis, then, to maintain the administrative funding which is being provided to take account of the administrative burden when you are shifting the administrative burden until later? Why are you maintaining payment of the administrative funding?

**Mr JENNINGS** — This is an issue that we actually discussed in the very first stage. We have been in committee for a long time, going back to your very first question. There is a need for us to enable political organisations, registered political parties, to establish the reporting requirements and the accountability framework. There may be some technology that is required to implement new accounting standards. You and I had a conversation a little while ago about the way in which the cumulative accounts of dispersed branch activity need to be accounted for centrally, and we deem it to be appropriate to provide that administrative walk-up and some allocation of funding to be able to assist parties to be ready to apply from day one, come 25 November.

### Committee divided on amendments and suggested amendments:

*Ayes, 22*

Bourman, Mr	Patten, Ms
Dalidakis, Mr	Pennicuik, Ms
Dunn, Ms	Pulford, Ms
Eideh, Mr	Ratnam, Dr
Elasmar, Mr	Shing, Ms
Gepp, Mr	Somyurek, Mr
Jennings, Mr	Springle, Ms ( <i>Teller</i> )
Leane, Mr	Symes, Ms ( <i>Teller</i> )
Melhem, Mr	Tierney, Ms
Mikakos, Ms	Truong, Ms

Mulino, Mr

Atkinson, Mr  
Bath, Ms  
Carling-Jenkins, Dr  
Crozier, Ms  
Dalla-Riva, Mr  
Davis, Mr (*Teller*)  
Finn, Mr  
Fitzherbert, Ms  
Lovell, Ms

Young, Mr

*Noes, 18*

Morris, Mr (*Teller*)  
O'Donohue, Mr  
Ondarchie, Mr  
O'Sullivan, Mr  
Peulich, Mrs  
Purcell, Mr  
Ramsay, Mr  
Rich-Phillips, Mr  
Wooldridge, Ms

### Amendments and suggested amendments agreed to.

**Mr JENNINGS** — By leave, I move:

#### 32. Suggested amendment to the Legislative Assembly -

Clause 45, page 51, lines 5 to 34, page 52, lines 1 to 31, and page 53, lines 1 to 11, omit all words and expressions on these lines and insert—

“(1) The following are eligible to receive an annual amount of administrative expenditure funding as follows—

- (a) for an independent elected member or the first member of a registered political party, an amount of \$250 000;
  - (b) for a registered political party that has more than 1 elected member, an amount of \$40 000 for each of the second to forty-fifth elected members.
- (2) Subject to subsections (3) and (4), the Commission must make payments of administrative expenditure funding under this section quarterly in advance to an independent elected member or registered political party.
- (3) In an election quarter, the Commission must make payments of administrative expenditure funding—
- (a) in advance on a pro-rata basis for the period—
    - (i) beginning on 1 October of that year; and
    - (ii) ending in the day of the general election; and
  - (b) in arrears on a pro-rata basis for the period—
    - (i) beginning on the day after the day of the general election; and
    - (ii) ending on 31 December in that year.
- (4) The entitlement to receive a quarterly payment of administrative expenditure funding is to be calculated on a pro-rata basis for—
- (a) each day in the quarter that an elected member is an independent member; or

- (b) each day in the quarter that an elected member is a member of a registered political party.”.

33. **Suggested amendment to the Legislative Assembly -**  
Clause 45, page 53, line 12, omit “(7)” and insert “(5)”.
34. **Suggested amendment to the Legislative Assembly -**  
Clause 45, page 53, line 21, omit “(8) and insert “(6)”.
36. **Suggested amendment to the Legislative Assembly -**  
Clause 45, page 53, line 27, omit “(9)” and insert “(7)”.
37. **Suggested amendment to the Legislative Assembly -**  
Clause 45, page 53, line 30, omit “(8)” and insert “(6)”.
38. **Suggested amendment to the Legislative Assembly -**  
Clause 45, page 54, line 1, omit “(10)” and insert “(8)”.
39. **Suggested amendment to the Legislative Assembly -**  
Clause 45, page 54, line 2, omit “(9)” and insert “(7)”.
40. **Suggested amendment to the Legislative Assembly -**  
Clause 45, page 54, lines 8 and 9, omit all words and expressions on these lines and insert—  
“(9) The first payment under this section is to be—  
(a) made on 1 August 2018; and  
(b) paid on a pro-rata basis for the period commencing on 1 August 2018 and ending on 30 September 2018.”.
41. **Suggested amendment to the Legislative Assembly -**  
Clause 45, page 54, line 10, omit “(12)” and insert “(10)”.
42. **Suggested amendment to the Legislative Assembly -**  
Clause 45, page 54, line 10, omit “(4)(a) or (5)(a)” and insert “(3)(a)”.
43. **Suggested amendment to the Legislative Assembly -**  
Clause 45, page 54, line 13, omit “(13)” and insert “(11)”.
44. **Suggested amendment to the Legislative Assembly -**  
Clause 45, page 54, lines 13 and 14, omit “(4)(b), (5)(b) or (6)” and insert “(3)(b)”.
46. **Suggested amendment to the Legislative Assembly -**  
Clause 45, page 54, line 25, omit “(14)” and insert “(13)”.

This alters the administrative expenditure funding so as to provide that Independent elected members and the first-elected member of a registered political party —

**Mr Davis** — On a point of order, Acting President, I just talked to Mr Ramsay then and he did not hear a comment that was made from over there — a very derogatory comment that was made. I am not sure that I want to repeat it, but there was a derogatory comment made by Ms Springle about Mr Ramsay. It was completely inappropriate and I think it should be withdrawn.

*Honourable members interjecting.*

**The ACTING PRESIDENT (Mr Elasmr)** — Order! Members, thank you.

*Honourable members interjecting.*

**The ACTING PRESIDENT (Mr Elasmr)** — Order, Mr Davis! If Mr Ramsay felt uncomfortable, he should seek that withdrawal.

**Mr Davis** — He did not hear it. On the point of order, Acting President, it was a serious point of order. I heard that comment, and it was completely out of order. It is a comment that ought to be withdrawn.

*Honourable members interjecting.*

**The ACTING PRESIDENT (Mr Elasmr)** — Order!

**Mr Morris** — Further on the point of order, Acting President, I was directly next to Ms Springle when she made the comment. Whether or not Mr Ramsay heard the comment I think is immaterial. The fact that the comment was made in the house is entirely unparliamentary.

*Honourable members interjecting.*

**The ACTING PRESIDENT (Mr Elasmr)** — Order! Thank you, members. Ms Springle, if you feel that what Mr Davis and the others are saying happened, I ask you to withdraw.

**Ms Springle** — I withdraw.

**Ms Lovell** — On a point of order, Acting President, during the exchange between yourself and Mr Davis, Mr Gepp made a remark that was directed at Mrs Peulich that was also unparliamentary, and he should withdraw it. It was very derogatory towards Mrs Peulich.

*Honourable members interjecting.*

**The ACTING PRESIDENT (Mr Elasmr)** — Order! Members, there was a point of order, and I need to deal with it. I ask that you be respectful in the

chamber, thank you. Mr Gepp, I ask you to withdraw in relation to Ms Lovell's point of order.

**Mr Gepp** — I withdraw.

*Honourable members interjecting.*

**The ACTING PRESIDENT (Mr Elasmarr)** — Thank you very much, members. I understand it has been a long day. Please, I ask you to control yourselves a bit, to respect the chamber and to respect each other. We will continue now. Minister, you have the call.

**Mr JENNINGS** — Thank you. These amendments that I have leave to move alter the administrative expenditure funding to provide that Independent elected members and the first elected member of a registered party are entitled to \$250 000 and each of the second to 45th members of a registered party are entitled to \$40 000.

**Mr RICH-PHILLIPS** — Thank you, Acting President. Minister, when you introduced this bill each member was to be entitled to \$160 000 of administrative expenditure over four years. Why are you now lifting it to a quarter of a million dollars? Here we are at 11 o'clock at night, and you are bringing in an amendment that increases the funding from \$160 000 for a member to a quarter of a million dollars for a member.

**Mr JENNINGS** — I am choosing not to act in the way that I actually see is evident around me. What I am saying to you is that this is not surprising given in fact the last amendment that the opposition supported was one of supreme significance to them to enable an advantageous outcome for them; they know that that is the case. They have delayed the committee process until the point in time that they got agreement to an amendment that was in their interests, and immediately they have started disruptive behaviour and a line of questioning that in fact was pursued many hours ago in the committee in relation to the discussion that we had — the very, very first series of questions that you raised with me — in relation to the relativity of appropriate revenue streams for small and emerging parties and to account for —

**Ms Mikakos** interjected.

**Mr JENNINGS** — what has been previously denied certain members of Parliament in relation to the sources of revenue that are available to them and the previously denied access to public funding. We discussed this hours ago — hours ago — at great length on clause 1, and I accounted for those issues then.

**Mr RICH-PHILLIPS** — Minister, firstly, on the issue of what is going on in the chamber, it has been several of your members that have had to withdraw comments in the chamber this evening, not members on this side of the house.

**Mr JENNINGS** — One.

*Honourable members interjecting.*

**Mr RICH-PHILLIPS** — Well, we have just had the comment from Ms Mikakos, and you yourself turned around to indicate the circumstances, so I think it is unhelpful for you to start down this path at this point in time.

**Mr JENNINGS** — Yes, because I am clearly the one who is out of control — clearly!

**Mr RICH-PHILLIPS** — In the discussion on administrative funding at the start of the committee stage, that was in the context of funding that was proposed at \$160 000 per member over a four-year cycle — \$40 000 per member per annum. The proposition you are now putting on the table elevates that to \$250 000 for some members. That was not the subject of —

**Mr JENNINGS** — Well, for all parties.

**Mr RICH-PHILLIPS** — All parties?

**Mr Jennings** — All parties and individuals.

**Mr RICH-PHILLIPS** — All parties, but not all members.

**Mr JENNINGS** — Yes.

**Mr RICH-PHILLIPS** — But that was not the subject of the discussion on clause 1.

**Mr JENNINGS** — That is what you remember it to be.

**Mr RICH-PHILLIPS** — That was the basis of — I stand to be corrected, Minister, but at no point did you refer to a quarter of a million dollars of administrative funding for members when we had the discussion on clause 1. We talked about the creation of —

**Mr JENNINGS** — Mr Rich-Phillips, when did I tell you about the \$250 000? When did I tell you, Mr Rich-Phillips? Tell your members when I told you about that. Tell your members when I told you about that matter.

*Honourable members interjecting.*

**Mr JENNINGS** — If you are going to play games about it, when did I tell you?

**The ACTING PRESIDENT (Mr Melhem)** — Members, through the Chair.

**An honourable member** interjected.

**Mr JENNINGS** — Well, I have been told that I did not raise it until 11 o'clock. I am telling you, clearly, that I told him many, many, many, many hours ago.

**Mr RICH-PHILLIPS** — That was not the subject of the committee discussion earlier tonight. Minister, can you outline the basis of the shift from \$160 000 over four years to what I assume is now intended to be a lump sum of \$250 000, rather than being paid annually, the rationale for the difference between those two amounts for the first elected member for represented parties?

**Mr JENNINGS** — Well, Mr Rich-Phillips, this may be very uncomfortable for you and it is implied that it is uncomfortable for me, but what I can share with the committee as a whole is that this was the nature of a conversation that I had approximately 10 hours ago. To actually indicate that it is a surprise I find somewhat disingenuous. In the conversation that we had in clause 1, when we were talking about the apportionment of administrative funding, if you go and check the record subsequent to this when it comes out you will actually discover that I talked about the discussions that have taken place in the last few days that have been designed to remedy the discrepancy between the funding allocation that was afforded to established political parties such as yours and mine and the relativity and support that should be provided to small and emerging parties that have been a feature of discussions during the course of this week in circumstances where your party has determined to not support the bill and to not consider the relative administrative and political funding support to registered political parties in the Parliament and has not engaged up until this moment in a negative way in the discussion about how the funding that was foreshadowed in the amendments when we were talking in clause 1.

Even if it had not been raised previously, at the very least when we were discussing clause 1 you had the amendments in your hand. You had a spreadsheet that I provided you with in relation to a call sheet in relation to what was coming. When we had that conversation in clause 1, it was clear that there had been a variation to the funding. It was clear, and it was accounted for in my response to your question.

**Mr RICH-PHILLIPS** — We certainly had a discussion about relativities and levels of funding, Minister. But what I am seeking from you now is an understanding of the rationale for the change in the proportions from \$160 000 to \$250 000. That was not the subject of the discussion on clause 1. Yes, we certainly had a discussion about relativities of funding between parties and members in various scenarios. But what we are now considering — and yes, you have provided a very useful running sheet and I thank you for that — what I specifically want to understand now is the rationale that led to the landing on \$250 000 versus \$160 000 as the appropriate level of administrative funding. You previously had a model which provided an equal and lower level of funding to all members. You are now moving to a different structure which starts at a much higher level and then drops down to a lower level. What I am keen to understand is the policy rationale behind the shift to that tiered structure and in particular the shift on the quantum.

**Mr JENNINGS** — In our discussion on clause 1 you clearly had modelled what the cumulative effect would be for your party, and you had made an estimate about what it was for my party. In that discussion, based upon your assessment, I volunteered to you that the support overall within the total envelope of the administrative funding and public funding was going to be provided to political parties in this Parliament. The government formed the view that in fact that allocation of funding gave an advantage to the large parties and a disadvantage as a consequence to smaller parties. The consideration that the government reflected on is: how do we recalibrate the escalator at the front end for small parties, which is also an allocation for emerging parties, to enable them to participate in parliamentary life and activity. The allocation should be recast to place a limit on how much money goes to the larger parties.

So specifically, as I foreshadowed in my answer to you in clause 1, we chose to redistribute on a sliding scale the formula that applies to give preference to small parties to account for their ability to participate in this new regime and parliamentary democracy, and effectively there was a modest reduction in the allocation applying this formula because it set a cap for large parties that previously did not exist. That was the policy rationale for that recalibration. I thought that we would tease that out in clause 1. Perhaps we could be gracious enough to say that it was not as explicit as this one, but it was pretty close.

**Dr RATNAM** — I would like to speak to suggested amendment 32 and state that the Greens cannot support this amendment. We support additional administration

funding for Independents and small parties. The existing provisions in the bill we believe are inequitable in applying a flat rate in relation to all MPs and front loading, so to speak. Administration funding we believe is important to assist smaller parties and Independents. As I have said before, the Greens support a pluralist democracy. We welcome more parties into the political arena and into the Parliament. Our democracy is strengthened by more voices. However, we believe the government is making a rod for its own back with this amendment. It will come back and bite both the Labor and the Liberal parties and the smaller parties when, as we have seen played out federally very recently, you are providing an incentive for MPs to leave and become Independents with that much funding for the first MP. When the numbers are tight, you are giving yourself and this Parliament a massive problem in the future.

We have an alternative amendment to this which has been circulated and which encourages small parties to stick together and grow so that we can have a better democracy. We firmly believe in collective action. Our amendment shares the additional administration funding over the first four MPs of a party and is much more of an equitable means of proceeding. That spread is \$150 000 for the first elected member, \$100 000 for the second elected member, \$80 000 for the third, \$60 000 for the fourth and \$40 000 for each until there is a cap of 40 members. We believe this amendment also addresses a number of issues raised in the Parliament about the amount of public funding. It actually imposes a cap, which is an improvement on both what is in the bill currently and the amendment being proposed. For those reasons we are strongly against this amendment and will be opposing it.

#### Committee divided on amendments:

##### *Ayes, 17*

Bourman, Mr	Mulino, Mr
Dalidakis, Mr ( <i>Teller</i> )	Patten, Ms
Eideh, Mr	Pulford, Ms
Elasmar, Mr	Shing, Ms
Gepp, Mr	Somyurek, Mr
Jennings, Mr	Symes, Ms
Leane, Mr	Tierney, Ms
Melhem, Mr	Young, Mr ( <i>Teller</i> )
Mikakos, Ms	

##### *Noes, 23*

Atkinson, Mr	Ondarchie, Mr
Bath, Ms	O'Sullivan, Mr
Carling-Jenkins, Dr	Pennicuik, Ms
Crozier, Ms	Peulich, Ms
Dalla-Riva, Mr	Purcell, Mr
Davis, Mr	Ramsay, Mr ( <i>Teller</i> )
Dunn, Ms	Ratnam, Dr
Finn, Mr	Rich-Phillips, Mr

Fitzherbert, Ms  
Lovell, Ms  
Morris, Mr  
O'Donohue, Mr

Springle, Ms (*Teller*)  
Truong, Ms  
Wooldridge, Ms

#### Amendments negatived.

#### Sitting suspended 11.22 p.m. until 12.01 a.m. (Saturday).

#### Progress reported.

### ADJOURNMENT

**Ms MIKAKOS** (Minister for Families and Children) — I move:

That the house do now adjourn.

#### Chiltern health services

**Ms WOOLDRIDGE** (Eastern Metropolitan) (00:04) — My adjournment matter this evening is for the Minister for Health. The action that I seek is that she intervene to assist in getting a GP, a general practitioner, in Chiltern. This may require assisting in resolving a dispute between Indigo North Health and Helen Barter, who wishes to set up a practice in a facility that Indigo North Health own. Chiltern is obviously an important community in the Assembly electorate of Benambra. It does have a history in relation to health services. Chiltern Bush Nursing Hospital was established in 1959 after 10 years of work by local Chiltern residents. In 2006, unfortunately, Chiltern Bush Nursing Hospital closed its acute care beds but continued to operate as Chiltern and District Health Service. In 2008 Glenview Community Care was gifted the Chiltern and district facility with a clear understanding that the primary health needs of the Chiltern community would be catered for into the future. On 1 July 2008 the newly named Indigo North Health was established.

The challenge is — and I have heard from a number of very concerned residents and community leaders — that since 2017 the Indigo North Health Chiltern campus has been without a GP. There are unoccupied medical rooms at the Chiltern campus. The town is serviced by a GP at a practice in Barnawartha. However, many of the patients who were accessing that clinic are travelling from Chiltern for that valuable service. The practice manager has been looking for a suitable location in Chiltern to set up a practice. Helen Barter has applied to move into those unoccupied rooms at the Chiltern campus of Indigo North Health. However, they have been unable to come to an agreement.

This is why I am seeking to have the Minister for Health intervene to assist in this process and make sure that the residents in Chiltern do have access to these GP services. As I have said, I have heard from a number of residents over an extended period of time. I know they have also approached the minister, they have approached Ms Symes as their local state member and they have also talked to the federal member and Bill Tilley in the Assembly as the state MP.

**Mr Finn** — He's a good man.

**Ms WOOLDRIDGE** — He is a good man, and we have had extensive discussions in relation to the needs of the Chiltern community. So I do ask that the minister get engaged in this area. It is an important service for the local community, and I am confident that she could help work through the issues to resolve a satisfactory outcome to ensure that the Chiltern community can have a GP into the future.

### Shepparton rail services

**Ms LOVELL** (Northern Victoria) (00:07) — My adjournment matter is for the Minister for Public Transport, and it is regarding the Andrews Labor government's long-term plans for rail services between Shepparton and Melbourne. The action that I am seeking from the minister is that she provide a guarantee to the people of the Shepparton electorate to actually deliver at least eight return daily rail services between Shepparton and Melbourne.

Shepparton has always been the poor cousin when it comes to train services, with the Andrews Labor government investing many millions of dollars in Bendigo, Ballarat and Traralgon but ignoring Shepparton for many years. The current member for Shepparton in the Assembly was elected on a promise to deliver Shepparton's fair share of eight daily return rail services between Shepparton and Melbourne. Let us look at the record of the current member for Shepparton regarding rail investments since being elected over three years ago. Ms Sheed has trumpeted an announcement in the state budget regarding investment in the Shepparton line, but the commitment does not guarantee any additional rail services between Shepparton and Melbourne. The best Labor and Ms Sheed have delivered is yet another business case on the scope and cost of additional train services — not a great result for a member whose major platform for the election was eight rail services per day.

Given the lack of detail, this commitment appears to be a last-minute inclusion in the state budget, and it contradicts Jacinta Allan's long-term plan regarding the

number of daily rail services on the Shepparton line in the future. Daniel Andrews and Jacinta Allan believe the Shepparton line only deserves one additional rail service. In May 2017 the transport minister told the people of Shepparton, and I quote:

... when these works are completed by 2020 it will get you to that five return services that your community is looking for ...

The Andrews government's own document *Victorian Infrastructure Plan*, which was released in 2017 clearly states that the long-term goal is five services, five days a week, on the outer regional lines of Warrnambool, Bairnsdale, Albury-Wodonga, Echuca, Swan Hill and Shepparton.

Suzanna Sheed is beholden to the Andrews Labor government and cannot deliver the desired eight return rail services for Shepparton. Labor has not committed to increasing return daily rail services between Shepparton and Melbourne beyond five services. Only a Matthew Guy-led Liberal government will deliver at least eight daily return services to the Shepparton community. The action that I seek of the minister is that she provide a guarantee to the people of the Shepparton electorate to actually deliver at least eight return daily rail services between Shepparton and Melbourne.

### Ballan Road–Anniversary Avenue, Wyndham Vale

**Mr FINN** (Western Metropolitan) (00:10) — I wish to raise a matter on the adjournment this evening for the Minister for Roads and Road Safety. I have received an email which reads as follows:

My name is Kat, and I live in the Jubilee estate in Wyndham Vale. I moved here in November of last year, and since then have nearly been in multiple accidents due to illegal driving/turns made by drivers travelling on Ballan Road (heading north) and onto Anniversary Avenue.

This is a no right turn, but residents, tradesmen and visitors turn illegally. Cars and trucks turn from Ballan Road onto Anniversary Avenue, even though it is marked as no turn right. What is worse is that they enter via the exit. They present a danger to cars turning out of the Jubilee estate onto Ballan Road.

Today, with my two small children in the car, we were nearly wiped out by a double-trailer truck who entered the estate via the exit lane (illegally), as we were attempting to leave the estate (legally). This is not the first time this has happened to us. This is a huge problem and a common issue for all people in the estate, but with kids it's even more of a problem. I have a three-year-old and a baby who is nearly one. I want to keep them alive, and VicRoads and the Wyndham Council NEED to do something about this. The problem is, despite resident reports to the police, reports and complaints to the council, as well as VicRoads, and the estate manager (Lotus Living), nothing has been done.

She went on to say:

It's too dangerous and there's no need to wait for someone to die to do something about it. People — residents and truckies — are going to keep doing this, so there needs to be some kind of alternative at this corner. Either close it off completely or put in traffic lights. Or the least intrusive — put in a turn-right option, with a turn-right lane, as well as the ability to turn right, legally and safely.

From what I have read and from what I understand, this is a matter of some urgency. Indeed there is a very real possibility that somebody could be very seriously injured, if not killed, at this particular intersection if something is not done. Now I understand the mayor of Wyndham, Peter Maynard, has been involved and has tried to do something but has not been successful in doing so, so clearly the only person who can actually direct VicRoads to act on this matter is the minister himself — and that is what I am asking the minister to do this evening. I am asking the minister to direct VicRoads to take the appropriate action to make this particular intersection safe for the people of Wyndham Vale, for travellers on Ballan Road and also on Anniversary Avenue, and for those entering and leaving the Jubilee estate. I ask the minister to do that as a matter of urgency. Clearly there is a desperate need for it, and I ask him to do it immediately.

### Pick My Project

**Mrs PEULICH** (South Eastern Metropolitan) (00:13) — I would like to raise a matter for the attention of the Treasurer, and it is in relation to the matter that I attempted to raise as a constituency item the other day, but I was unfortunate in falling foul of the rules. Nonetheless, Ms Gabrielle Williams, the member for Dandenong, wrote to the local council and others, inviting them to encourage the nomination of Pick My Project. She outlined in her letter that members of the public could nominate a pet project for which there has been an allocation of \$30 million made statewide and that there would be no bureaucratic assessments and no interventions. Simple online voting by the public would somehow determine who gets the funding. That was the content of the letter.

Now, if the letter is inaccurate, I am calling on the Treasurer to assure the public, given that its closing date is, I think, Monday next week and the opening of voting is in July —

**Ms Symes** — Eighth of July is the closing date. It got extended.

**Mrs PEULICH** — Well, I am glad to hear that it got extended, but I think there is a great deal of uncertainty about the governance arrangements of this

project, given how easy it is to manipulate online voting and the lack of any scrutiny or any confidence that indeed it is not going to be hijacked, it is not going to be politically manipulated or exploited, that the Labor Party or unions will not get behind an online voting campaign, and that this is not going to turn into another rort. If Ms Williams's letter is inaccurate, then I invite the Treasurer to advise, at least through the municipalities and local media, how the assessments will be made and which projects will —

**Ms Symes** interjected.

**The PRESIDENT** — Thank you.

**Mrs PEULICH** — That is, how the projects will be assessed to ensure that there is public confidence in the process. And indeed if Ms Williams's letter is accurate, then I invite the Treasurer to refer the matter to the Auditor-General for his advice on the governance arrangements for the assessment of Pick My Project. We do not want this to turn into another rort. We want a genuine process and genuinely worthwhile, meritorious projects to be the successful ones, rather than those for which a political impetus may be created by other forces that are not open to us.

### Traralgon skate park

**Ms BATH** (Eastern Victoria) (00:16) — My adjournment matter is for the Minister for Sport, the Honourable John Eren in the other place. Business owners, taxidivers, residents and visiting shoppers are becoming increasingly frustrated and frightened by antisocial behaviour displayed by youths at the entrance to the Stockland shopping centre in Traralgon. The behaviour has both deteriorated and been exacerbated over the past 12 months.

The Nationals candidate for Morwell, Sheridan Bond, has raised the issue with me on behalf of many in her community. It is concerning that there are many small but persistent cohorts of young people exhibiting highly antisocial behaviour, who regularly congregate near the bus stop and the taxi rank at the west side of the centre. Sheridan informs me that only recently a taxidriver was threatened with loutish and intimidating behaviour, which saw both the taxidriver and the passenger quite visibly shaken and distressed.

Adolescents generally arrive at around 3 o'clock and depart at 6 o'clock. Incidents at that space include fighting, smashing windows and threatening people. I understand that one shop owner had to lock down and call the police to protect themselves from harassment. Police do review the CCTV, and I understand that there

are repeat nuisances. Court orders in place do deter antisocial behaviour; however, it is hard to remand children and adolescents for such offences. The Traralgon CBD Safety Committee and Victoria Police are taking positive measures and centre management are employing a security guard on the afternoon watch. Police are doing regular patrols, but there are insufficient resources to stay at the bus stop hour after hour. Police and the increased security presence are helping, but as I say it is still a sincere safety concern for residents.

The business community has rightly identified that adolescents need an alternative to these antisocial behaviours, one that will create positive and constructive behaviours. Positive intervention through outdoor activity and recreational pursuits may well see a decrease in these negative actions. The idea of a new contemporary skate park with a barbecue area, in or close to the CBD precinct, has substantial community support. Latrobe City Council has recently been presented with a petition of over 1700 signatures lobbying for a new skate park.

*Honourable members interjecting.*

**The PRESIDENT** (00:19) — Order! Ms Symes, you are off early on your break. Thank you — 15 minutes.

**Mrs Peulich** interjected.

**Ms Symes** — You cannot allow that surely?

**The PRESIDENT** — Please.

**Ms Symes withdrew from chamber.**

**Ms BATH** — I am nearly there, President. I have one last sentence to go. As a solution, the action that I seek is for the minister to work with Latrobe City Council to fund a new skate park in an appropriate location, with good consultation with various stakeholders, the Victorian Chamber of Commerce and Industry and various community groups to get this right and change the behaviour of these people and give them a great asset locally in the town. I ask the minister to work with Latrobe City Council to make this happen.

### **Responses**

**Ms MIKAKOS** (Minister for Families and Children) (00:20) — This evening I have received adjournment matters from Ms Wooldridge addressed to the Minister for Health, from Ms Lovell addressed to the Minister for Public Transport, from Mr Finn addressed to the Minister for Roads and Road Safety,

from Mrs Peulich addressed to the Treasurer — I do point out to the member that I have just been having a look online, and there are very detailed guidelines available to the community around Pick My Project which explain how the funding allocation will work, so I certainly encourage the member to look at that — and from Ms Bath directed to the Minister for Sport. Those matters will be referred to the relevant ministers for response.

**The PRESIDENT** — On that basis, the house stands adjourned. I wish members all the best for the four weeks that we have away from sitting. Enjoy your sleep.

**House adjourned 12.21 a.m. (Saturday) until Tuesday, 24 July.**