



22 April 2019

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Via email only: [info@transparency.org.au](mailto:info@transparency.org.au)

Dear Ms Lillywhite

Thank you for writing to the Australian Labor Party on Transparency International Australia's five reform priorities to provide for greater transparency and accountability across government and parliament.

As requested, please find below our responses to these priorities.

1. Establish a strong, properly resourced national integrity commission with:

- Strong powers (including public hearings, when needed, across the entire Commonwealth public sector).
- Wider jurisdiction (to investigate criminal, disciplinary and 'grey area' corruption, when needed; and comprehensive mandatory reporting).
- Proper funding (\$100 million per annum).

Labor stands for integrity and transparency in government, and we have no tolerance for corruption. In January 2018, Labor announced that legislation to establish a National Integrity Commission would be introduced in the first 12 months of a Shorten Labor Government. Labor also said that we would be willing to work with the Government to establish a National Integrity Commission during *this* term of parliament.

After spending almost a year rejecting calls from Labor to support the establishment of a National Integrity Commission and a mere two weeks after the Prime Minister dismissed it as a "fringe issue", the Morrison Government finally announced that it would move to establish a "federal anti-corruption commission".

Unfortunately, the model proposed by the Liberals is inadequate. It has been roundly criticised by experts for its limited scope, limited powers and lack of transparency.

Unlike the Liberals, Labor will establish a tough anti-corruption watchdog with teeth.

Unlike the Liberals' model of a secret tribunal with very limited powers, a National Integrity Commission established by Labor will have all the powers of a standing Royal Commission and will hold public hearings where it is in the public interest to do so.

It will be an independent, statutory agency. The Commissioner will be appointed for a fixed, five-year term. The Commission itself will be subject to oversight by a Parliamentary Committee.

If a Shorten Labor Government is elected, we will immediately get to work finalising the design and technical details of the National Integrity Commission, in consultation with legal and anti-corruption experts and the wider Australian community. Within a year of taking office we will introduce legislation to make a National Integrity Commission a reality.

In terms of resourcing, the Liberals announced in the 2019 Budget funding for a National Integrity Commission with \$104.5 million over four years. Labor's Shadow Treasurer Chris Bowen has publicly stated that, if elected, "We will at least be matching that commitment, and if additional resources are required after the design is finalised, we will ensure those resources are provided."

## 2. Control political donations and finance through:

- Low disclosure thresholds and real-time disclosure of political donations and campaign expenditure at federal and state levels.
- Lowest workable donation and campaign expenditure caps, and public funding for election expenses with tighter accountability.
- Nationally consistent rules and enforcement, in line with community standards, agreed through a high-level national process engaging experts and the public.

Labor is proud to have continually fought for improved transparency and greater accountability in Australia's political donation system. We took a policy of significant donation reform to the 2016 Federal Election, and introduced legislation into the Parliament that would significantly improve our donation laws.

Labor's reforms include:

- Reduce the donation disclosure limit from the current level of \$13,800 (indexed to inflation) to a fixed \$1,000.
- Prohibit the receipt of foreign donations.
- Ban 'donation splitting' where donations are spread between different branches of political parties and associated entities to avoid disclosure obligations.
- Ban the receipt of anonymous donations above \$50.
- Link public funding to campaign expenditure.
- Introduce new offences and increased penalties for abuses of the political donation disclosure regime.

Labor has successfully secured reform on many of these commitments. A ban on foreign political donations is now in place, and public funding has been successfully linked to campaign expenditure; preventing candidates and parties from profiting off our electoral system.

Labor is committed to reform on those priorities remaining. Labor will reduce the donation disclosure threshold from \$13,800 indexed to inflation to a fixed \$1,000 as a priority. There is also a pressing need to improve transparency in the political system so we will continue to consult widely to establish a real time disclosure regime for political donations.

### 3. Strengthen rules on lobbying, 'revolving doors' and parliamentary conduct through:

- Increased 'quarantine' or 'cooling off' periods for ex-ministers and senior staff.
- Codes of conduct supported by independent advice and investigation regimes for all Members of the Federal Parliament.
- Stronger sanctions and independent enforcement of lobbyist registration, disclosure and compliance.

Labor believes that government should be free of the vested and sectional interests that undermine the ability of government to act in the national interest; whether through donations to political parties, lobbying activities, or restrictions on freedom of information.

In office, Labor established a Code of Conduct for Ministers and their staff. Ministers, staff and all Members of Parliament should follow clear standards relating to their behaviour; contact with lobbyists; receipt of any gifts; and disclosure of any potential conflicts of interest which may affect them carrying out their public duty.

Labor will observe the United Nations Convention Against Corruption and, as addressed above, will establish a National Integrity Commission while also continuing to develop and implement other measures of and implementation of a national anti-corruption plan.

### 4. Protect whistleblowers through:

- A properly resourced whistleblower protection authority for public and private sector workers, as recommended by the 2017 Parliamentary Joint Committee inquiry.
- A well-designed reward scheme, as also recommended by the Committee.
- Upgraded legal protections for in all sectors, and unified, stand-alone legislation for the private sector (consistent with or beyond the 2019 Corporations Act reforms), as also recommended by the Committee.

If elected to government, Labor has committed to protect and reward Australians who blow the whistle on crime and corruption, including in the banking and financial sector.

Labor's commitment includes:

- Setting up a Whistleblower Rewards Scheme.
- Establishing a Whistleblower Protection Authority.
- Overhauling Australia's whistleblowing laws with a single Whistleblowing Act, consolidating all mainstream whistleblowing legislation so whistleblowers can more easily understand how they are protected.
- Funding a special prosecutor to bring corporate criminals to justice.

In Government, Labor strengthened citizens' rights of access to Government material and documents. Labor's December 2018 National Platform states our commitment to continue to promote transparency and accountability by maintaining and promoting a transparent culture across Australian Government agencies. We will continue to support robust mechanisms for Public Interest Disclosure, Freedom of Information and mechanisms for receiving, investigating and prosecuting complaints concerning alleged corruption in public office or administration.

5. Bolster international anti-corruption efforts by:

- Expediting membership of the Extractive Transparency Initiative.
- Establishing a public register of beneficial ownership of companies, beginning with ASIC verification of all company ownership data.
- Fully implementing the Financial Action Task Force Tranche 2 recommendations for anti-money laundering (to stop dirty money flowing into Australian real estate and luxury goods).
- Reforming foreign bribery law, including adequate procedures defences for removing facilitation payments.

Labor's 2018 National Platform outlines a number of commitments to strengthen Australia's contribution to combating corruption internationally.

This includes supporting measures to promote transparency in the extractives industry, both in Australia and overseas, so countries rich in natural resources benefit from greater economic and political stability, and to support poverty reduction in those countries. We support moves to require oil, gas and extractive industry companies to report publicly on a country-by-country basis on their revenue and profits as well as taxes and royalties paid, and the extension of such transparency measures across large multinational entities.

Labor will support establishment of a stronger international agreement to require tax authorities to share information about individuals and corporations suspected of tax evasion or money laundering. We believe consideration should be given to:

- A study based on Country by Country Reporting (CbCR) that analyses the misalignment between the economic activities of individual multinationals and the taxes paid.
- Eliminating reduced disclosure or special purpose filing options on annual financial statements filed with ASIC for subsidiaries of multinationals with over \$500 million in annual revenues.

As part of a Labor Government's international engagement, we will support good governance, accountability and anti-corruption measures through the development assistance program, particularly in fragile states.

Labor also welcomed in the last term of parliament the introduction of the International Human Rights and Corruption (Magnitsky Sanctions) Bill, which seeks to strengthen provisions enabling sanctions to be imposed, where appropriate, for the purposes of compliance with United Nations obligations, or other international obligations, or for the purposes of preventing or responding to gross human rights abuse or violations, or acts of significant corruption.

The Bill follows the precedent set by the Global Magnitsky Human Rights Accountability Act 2016 (US) and the Sanctions and Anti-Money Laundering Bill 2018 (UK), aimed at curbing the influence of foreign persons and entities who have engaged in activities deemed illegal by international human rights law. Globally, similar acts are being used by democratic governments against officials connected with authoritarian governments who engage in serious human rights abuses and corruption in their own countries.

Labor believes companies doing the wrong thing must be brought to justice. If elected to government, Labor has committed to:

- Removing the facilitation payment defence, which currently allows companies to make small, tax-deductible bribes.
- Introducing a debarment regime to ban companies engaged in bribery from Federal Government contracts.
- Demanding any Deferred Prosecution Agreement regime is tough on companies breaking the law.
- Establishing a national anti-bribery regime to ensure our federal law outlaws public and private bribery.

More information on Labor's election policies can be found at [www.alp.org.au/policies](http://www.alp.org.au/policies)

Yours sincerely

Australian Labor