
SENATOR ANDREW MURRAY
AUSTRALIAN DEMOCRATS ELECTORAL MATTERS SPOKESPERSON

BRIEFING NOTE: FOREIGN POLITICAL DONATIONS

Donations to political parties from overseas entities must be banned.

The Australian Electoral Commission's (AEC) 2004-2005 funding and disclosure report revealed the urgent need for electoral funding law reform.

The startling revelation of the \$1 million donation to the Liberal Party by British citizen, Lord Michael Ashcroft must serve as a catalyst for debate and reform. That \$1 million donation is believed to be the largest single donation from an individual in Australian political history.

The table attached shows many foreign donations. Australians are right to ask what such donations actually buy – just friendship and gratitude, or access and influence?

A number of democracies, including the USA, New Zealand, Canada and the United Kingdom ban foreign donations to domestic political parties to stop foreign influence in domestic political affairs - it is a protection Australia should embrace. Most Australian citizens also think there must be no foreign interference or influence in Australian domestic politics.

Under British law, a donation of more than two hundred pounds sterling or \$A470 is allowed only if it comes from a person eligible to enrol to vote in Britain or from registered corporations operating in Britain. Similarly, in the United States it is unlawful for foreign nationals to make donations. United States citizens living abroad can donate.

The fundamental principle of Australian electoral funding law is that the Australian Electoral Commission must be able to verify the nature and source of significant political donations. Offshore based foundations, trusts or clubs or individuals funded from tax havens making political donations to Australian political parties are a real danger, because those who are behind those entities are often hidden and beyond the reach of Australian law.

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In the last nine years, foreign donations totalling well over \$2 million have come in from the Channel Islands, Dubai, New Zealand, Sweden, the Philippines, Great Britain, Lichtenstein, German, China, Hong Kong, Canada, the United States, Japan, India, Fiji and Taiwan.

The Democrats' Supplementary Remarks to the Joint Standing Committee of Electoral Matters *Report of the Inquiry into the conduct of the 2004 Federal Election* address the issues of funding and disclosure law reform. Our recommendation regarding overseas political donations is :

Recommendation 4.8

Donations from overseas entities must be banned outright. Donations from Australian Individuals living offshore should be permitted.

Attached are the AEC funding and disclosure records which demonstrate the case for overseas donations to be banned, except for Australians on the electoral roll, who are overseas.

In 2004 the Coalition (Liberal and National Parties) and Labor rejected the Democrat amendment designed to fix this problem. Below is a copy of the amendment :

Commonwealth Electoral Amendment (Representation in the House of Representatives) Bill 2004

(Amendment moved by Senator Andrew Murray on behalf of the Australian Democrats in committee of the whole)

16 after section 306B

Insert :

306C foreign donations, gifts etc. prohibited

- (1) It is unlawful for a political party or a State branch of a political party or a person acting on behalf of a political party or a State branch of a political party to receive a gift, or disposition of property originating by whatever means from a foreign source.
- (2) (2) For the purposes of Section 306C, 306D, 306E and 306F, foreign means of or pertaining to a country other than Australia.

(foreign donations prohibited)

306D Forfeiture of foreign donations, gifts etc.



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- (1) For the avoidance of doubt, where a foreign gift, or disposition of property is made to a political party or a State branch of a political party or a person acting on behalf of a political party or a State branch of a political party, the foreign gift is presumed to be contrary to section 306C and is to be dealt with in accordance with subsection (2).

Note: For strict liability, see section 6.1 of the Criminal Code.

- (2) Where a person receives a foreign gift or disposition of property that, by virtue of this section, it is unlawful for the person to receive, an amount equal to the amount or value of the foreign gift or disposition of property is payable by that person to the Commonwealth and may be recovered by the Commonwealth as a debt due to the Commonwealth by action, in a court of competent jurisdiction, against:

- (a) in the case of a foreign gift or disposition of property to or for the benefit of a political party or a State branch of a political party :
- (i) if the party or branch, as the case may be is a body corporate - the party or branch, as the case may be; or
 - (ii) in any other case – the agent of the party or branch, as the case may be; or
- (b) in any other case - the candidate or a member of the group or the agent of the candidate or of the group, as the case may be.

(foreign donations forfeit)

306E Donations by non-citizens resident in Australia lawful

A gift or disposition of property in Australia to a political party by a person who is a non-citizen resident in Australia is not a foreign donation for the purposes of section 306C or 306D.

Note: non-citizen is defined in section 5 of the Migration Act 1958 as a person who is not an Australian citizen.

(non-citizen residents may make donations)

306F Donations by Australian living abroad lawful

A gift or disposition of property by a person registered on the roll living overseas is not a foreign donation for the purposes of section 306C or 306D

(overseas Australian may make donations)



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Party	Total (\$)
Liberal Party	1 664 279
Australian Labor Party	475 067
Greens	170 564
Citizens electoral Council	7 110
Australian Democrats	2 200
Total	2 319 220

Source: Donors or associated entity returns, and party returns, on AEC website, 1998/99 to 2006/07

Table 2. Party funds from overseas sources: The Australian Electoral Commission funding and disclosure records on-line records for 1998/99 to 2006/07:

Year	From	To	Amount (\$)
1998/99	W.S. Cairns Guernsey, UK	Liberal Party, WA Division	5 000
1998/99	Michael Esdaile West Auckland, NZ	Citizens Electoral Council of Australia	5 250
1998/99	Todizo Pty Ltd (no address, but a major shareholder in a NZ company)	Liberal Party, NSW Division	2 000
1999/00	Green Forum Foundation Stockholm, Sweden	Australian Greens	19 438
1999/00	B. Salizar Manila, Philippines	ALP, NSW Branch	25 000



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1999/00	UK Conservative Party 32 Smith Square, London, UK	Liberal Party, National Secretariat	\$ 5 950
2000/01	Foundation du Sauve Vaduz, Liechtenstein	Australian Greens, National	\$ 9 780
2000/01	Heinrich Boll Foundation Berlin, Germany	Green Institute, Tasmania	\$ 99 622
2000/01	International Democrat Union 32 Smith Square, Westminster, UK (same address as UK Conservatives)	Liberal Party, National Secretariat	\$ 3 301
2000/01	NZ National Party, Wellington, NZ	Parakeelia Pty Ltd (same address as Liberal Party's National Secretariat)	\$166 975
2000/01	Swedish Green Forum Foundation Harnosand, Sweden	Australian Greens, National	\$ 20 413
2001/02	David Argyle Sichuan Province, China	Liberal Party, Qld Division	\$ 2 000
2001/02	Chen Kang Hong Kong	ALP, Qld Branch	\$ 9 586
2001/02	Flextronics San Jose, California, USA	Liberal Party, Qld Division	\$ 2 000
2001/02	Lucent Technology Hong Kong	Australian Democrats, National	\$ 2 200



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2001/02	J. Mackay Gill New York, NY, USA	Liberal Party, Vic Division	\$ 1 948
2001/02	Green Forum Foundation Harnosand, Sweden	Australian Greens, National	\$18 453
2001/02	Alastair Walton Hong Kong	ALP, SA Branch	\$10 000
2001/02	Zhang Ziaojing Hong Kong (same address as Chen Kang, above)	ALP, QLD Branch	\$ 9 769
2002/03	M. Esdaile West Auckland, NZ	Citizens Electoral Council, National (8 donations)	\$ 1860
2002/03	Hatco Corporation New Jersey, USA	ALP, NSW	\$17 674
2002/03	Icon Productions LLC Santa Monica, USA	Liberal Party, NSW	\$ 8 359
2002/03	Dr Kazumasa Ikoma Hyogo, Japan	Liberal Party, Vic	\$14 000
2002/03	NZ National Party Wellington, NZ	Parakeelia Pty Ltd (same address as Liberal Party's National Secretariat)	\$43 742
2002/03	Shimao Holdings Co Ltd Hong Kong	APL, NSW Branch	\$100 000
2002/03	United States Greens Washington, DC, USA	Australian Greens, National	\$ 2 858

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2003/04	Anderson, Paul, Charlotte, NC, USA	500 Club (same address as Liberal Party, Vic)	\$ 1 650
2003/04	Beijing Austchina Technology, Beijing, China	ALP, NSW	\$ 5 000
2003/04	Government of India Tourism Office, Sydney	Liberal Party, Qld	\$ 2 000
2003/04	Hains, Richard, London, UK	Liberal Party, NSW	\$25 000
2003/04	Leader of the Opposition, Wellington, NZ	Parakeelia Pty Ltd (Liberal Party)	\$39 324
2003/04	NZ National Party, Wellington, NZ	Parakeelia Pty Ltd (Liberal Party)	\$43 333
2003/04	Vomo Island Resort, Fiji	ALP, NSW	\$ 5 000
2004/05	Ashcroft, Lord Michael, KCMG House of Lords, London	Liberal Party, National	\$1 000 000
2004/05	Beijing Austchina Technology, Beijing, China	ALP, NSW	\$ 8 750
2004/05	Betfair-Tse (International) Ltd, London, UK	ALP, NSW ALP, Victoria Liberal Party, National Liberal Party, NSW	\$ 5 000 \$ 5 000 \$ 5 000 \$ 5 000
2004/05	Dattels, Mr Timothy, Walnut Street, San Francisco, USA	Liberal Party, NSW	\$ 7 059

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2004/05	Dattels, Mr Timothy, Sacramento Street, San Francisco, USA	Liberal Party, NSW	\$ 7 104
2004/05	Kingson Investment Ltd, Guangzhou, China	Liberal Party, NSW	\$49 981
2004/05	Kingson Investment Ltd, E. Kowloon, China	Liberal Party, NSW	\$19 981
2004/05	Leader of the Opposition, Wellington, NZ	Parakeelia Pty Ltd (Liberal Party)	\$36 666
2004/05	NZ National Party, Wellington, NZ	Parakeelia Pty Ltd (Liberal Party)	\$39 999
2004/05	Skycity Darwin, Auckland, NZ	NT CLP	\$10 000
2004/05	Stevens, Mr G, California, USA	Liberal Party, NSW	\$ 2 682
2004/05	TSE International Ltd, London, UK (miskeyed in returns as TSA)	ALP, National Liberal Party, SA Liberal Party, NSW	\$ 5 000 \$ 5 000 \$ 2 750
2004/05	Yu-Hueu, Dr Chang, Taipei, Taiwan	ALP, QLD	\$12 000
2004/05	Yun Klein, D & M, Hong Kong	ALP, WA	\$ 2 000

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2005/06	TSE (International) Ltd, Waterfront, Hammersmith Embankment, Winslow Road, London W6 9HP	ALP, NSW Branch	\$ 2 750
2005/06	Ho, Dr Stanley, 39F Shun Task Centre, 200 Connaught Road, Hong Kong	ALP, NSW Branch	\$15 000 \$ 25 000
2005/06	Emirates Airlines, PO Box 686, Dubai, UAE	ALP, NSW Branch	\$15 000
2005/06	Kingson Investment Ltd., Guangzhou International Trade Centre, 1 Linhe Xi Lu, Guangzhou	Liberal Party NSW Branch	\$49 981
2005/06	New Zealand National Party	Liberal Party via Parakeelia P/L	\$26 661
2005/06	Parliamentary Services, New Zealand	Liberal Party via Parakeelia Pty Ltd	\$13 333
2006/07	AXIA Netmedia Corporation, 3300, 450 1 st Street, Calgary Alberta ABT2P541 OS 0000	Liberal Party, National Secretariat	\$16 500
2006/07	Hong Kong Kingson Investment Ltd, Room 201A, Wing On Plaza, 62 Mody Road, East Kowloon, Hong Kong (miskeyed in return as Hong Kong Kinson)	ALP, NSW Branch	\$100 000

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2006/07	Union of British Columbia Performers, 300-856 Homer Street, Vancouver BC V68 2W5	ALP via Media Entertainment & Arts Alliance	\$23 153
2006/07	Screen Actors Guild, 7 th Floor, 5757 Wilshire Boulevard, Los Angeles CA 90036-3800	ALP via Media Entertainment & Arts Alliance	\$39 385
2006/07	Octagon Limited, Riverbank House, 2 Swan Lane, London EC4R30X	ALP via CFMEU	\$35 000

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