



28th January, 2021

Submission to the Review of the Electoral Legislation Amendment (Electoral Funding and Disclosure Reform) Act 2018

ARRCC, Incorporated (the Australian Religious Response to Climate Change) appreciates this opportunity to make a submission to the Review of the Electoral Legislation Amendment (Electoral Funding and Disclosure Reform) Act 2018

Who is ARRCC?

ARRCC is a multi-faith, member-based organisation of people from around Australia who are committed to taking action on climate change. Our members represent a variety of religious traditions. They include the Federation of Australian Buddhist Councils, Brahma Kumaris Australia, Quakers Australia, the Australian Federation of Islamic Councils, Union for Progressive Judaism and many Catholic Religious Orders.

We believe that as people dedicated to the common good, inspired by our beliefs and energized by our spirituality, people of all faiths can and should be at the forefront of creating a safe climate. While celebrating the uniqueness of our different traditions, we stand together in working for an ecologically and socially sustainable future. ARRCC envisages our nation embracing a sustainable future, one which is based on a more ethical understanding of human prosperity and the flourishing of all. To help create this, ARRCC aspires to influence religious communities of all kinds and all across Australia to actively reflect religious values in their lifestyle choices.

Charities' advocacy is critical to a healthy democracy

Human history shows that democratic forms of government are historically unusual and somewhat fragile. Yet democracy gives people the best chance of returning governments that genuinely serve the interests of the people, rather than the interests of a powerful person or elite. Thus, the democratic nature of our laws is a precious social good which needs to be protected and *actively nurtured*.

Furthermore, charities (by which we mean charities and not-for-profits) are normally devoted to the well-being of people and the environment, and are largely based on volunteers' generosity and donations. When they speak, they do so for the benefit of the people they serve, whether the timing is close to an election or between elections. Indeed, charities tend to speak out more in the lead-up to elections because this is the time when candidates for election are more open to being influenced. This is part of our mission. It is part of the service to the community which our supporters trust us to provide.

Advocacy by charities should be viewed by governments as providing them with the views of well-informed and socially responsible members of civil society, and it should therefore be encouraged. Governments should seek to enable such voices rather than create barriers that stifle them.

It is therefore very concerning that the Government is proposing changes to the Electoral Legislation Amendment (Electoral Funding and Disclosure Reform) Act 2018 which, if accepted, would make it more difficult for charities like ARRCC to carry out their mission.

We therefore support the Hands Off Our Charities Alliance when they write "regardless of when it happens in the electoral cycle, the purpose of charities' advocacy remains the same: to further our charitable purposes by influencing decision-makers to support better policies. In this way, advocacy by charities is fundamentally different to campaigns for election by political parties, and our electoral laws must respect this difference by tailored, proportionate regulation. We do not — we in fact cannot by law — undertake activities outside our charitable purpose, including in order to promote or oppose the election of a candidate or political party.

Unclear definitions, disproportionate, burdensome financial and disclosure obligations, and significant penalties, will — through self-silencing or regulatory overload — prevent charities and wider civil society from playing a part in Australian democracy."

At a time when democracies are being undermined by powerful destructive forces, it is critically important for the Australian Government to support a healthy, participatory democracy.

Support for current operation of the Act

ARRCC supports laws that protect the integrity of representative government and promote fairness and participation in public debate. We agree with the stated purpose of the original EFDR Bill to increase the transparency of Australia's political finance regime and reduce the risk of foreign influence in Australian politics. We suggest that foreign influence

is not the only threat and should be regulated. Domestically, other kinds of donors aggressively promote their own interests and undermine the common good.

However, we do not agree with any proposed amendments to the Electoral Act which would silence the voices of charities in public debates in the lead up to elections. We also do not agree with curtailing charities' access to international philanthropy, which plays a critical role in augmenting domestic giving.

Now that the EFDR legislation of 2018 has been implemented, many charities have taken significant steps to ensure their compliance with the new requirements. This has required significant resources and any substantive changes to the current regime would introduce further administrative costs. Without reasoned evidence that changes are necessary and full consideration of the potential impact on charities, such changes would therefore be unjust and repressive.

Recommendations:

- 1. ARRCC recommends that the category of "political campaigner" is misleading and should be renamed "large third party".**

ARRCC holds the view that the term "political campaigner" wrongly conflates public interest advocacy by independent, non-partisan groups with "political campaigning". Large third parties - those that incur more than \$500k in electoral expenditure – need to raise their concerns in democratic, political debates and should not have to fear being viewed as electioneering when they do so. There are various, distinct types of participants in elections.

- 2. ARRCC opposes the Committee's recommendation to lower the threshold for becoming a "large third party" (currently termed "political campaigner") to \$100,000. The threshold of \$500,000 should be retained.**

The Committee which has made this recommendation does not provide any evidence for why this would be necessary, whereas the threshold of \$500,000 was agreed after thorough community consultation and debate.

Lowering the threshold for becoming a political campaigner would introduce very significant administrative burdens on many charities and would have a silencing effect in the lead up to elections.

If there is a case for reform, it is in the area of more transparency of donations to political parties, lowering the disclosure threshold, real time disclosure of money received and limits to the level of donations political parties can receive. The Government has resisted these reforms arguing that the administrative burden on political parties would be too high.

It is unfair to seek to lay more burdens on the charities sector while the Government is unwilling to raise accountability standards for political parties.

Conclusion

For the sake of the health of our Australian democracy, charities' contributions to political debates should be encouraged rather than discouraged. ARRCC advocates that the term "political campaigner" should be replaced by "large third party" in the case of charities, and that the threshold for becoming a "large third party" should not be lowered below \$500,000.

Thank you for the opportunity to provide this submission. Should the Committee wish to seek further information from ARRCC, or invite representatives to appear at hearings, the contact point is [REDACTED]

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