

Submission on the *Electoral Legislation Amendment (Miscellaneous Measures) Bill 2020*

Contact for recipient:

Joint Standing Committee on Electoral Matters

A: Parliament House, Canberra

E: em@aph.gov.au T: (02) 6277 2374

Contact for PHAA:

Terry Slevin – Chief Executive Officer A: 20 Napier Close, Deakin ACT 2600 E: phaa@phaa.net.au T: (02) 6285 2373 3 July 2020

CoErterotoma/elzetibisEzteictorAm/ernetmenne(N/1(stænllaimegoDistMeasuzeteist)s9iB21020020 SubmisSidomfiss/AutatoBment 2

PHAA submission on the Electoral Legislation Amendment (Miscellaneous Measures) Bill



The Public Health Association of Australia (PHAA) is recognised as the principal non-government organisation for public health in Australia working to promote the health and well-being of all Australians. It is the pre-eminent voice for the public's health in Australia.

The PHAA works to ensure that the public's health is improved through sustained and determined efforts of our Board, National Office, State and Territory Branches, Special Interest Groups and members.

We believe that health is a human right, a vital resource for everyday life, and a key factor in sustainability. Health equity and inequity do not exist in isolation from the conditions that underpin people's health. The health status of all people is impacted by the social, cultural, political, environmental and economic determinants of health. Specific focus on these determinants is necessary to reduce the unfair and unjust effects of conditions of living that cause poor health and disease. These determinants underpin the strategic direction of the Association.

Our mission as the leading national organisation for public health representation, policy and advocacy, is to promote better health outcomes through increased knowledge, better access and equity, evidence informed policy and effective population-based practice in public health. Members of the Association are committed to better health outcomes based on these principles.

Our vision is for a healthy population, a healthy nation and a healthy world, with all people living in an equitable society underpinned by a well-functioning ecosystem and a healthy environment, improving and promoting health and wellbeing for all.

The reduction of social and health inequities should be an over-arching goal of national policy, and should be recognised as a key measure of our progress as a society. Public health activities and related government policy should be directed towards reducing social and health inequity nationally and, where possible, internationally.

Control of the contro

PHAA submission on the Electoral Legislation Amendment (Miscellaneous Measures) Bill

Introduction

This is a submission to the Joint Standing Committee on Electoral Matters Committee inquiry into the *Electoral Legislation Amendment (Miscellaneous Measures) Bill 2020*, presented to the Senate in June 2020 ("the Government bill").

However, we immediately note that in the same June sitting week that the Government bill was introduced, the *Commonwealth Electoral Amendment (Banning Dirty Donations) Bill 2020*, ("Senator Waters' bill") was also introduced. At the time of writing Senator Waters' bill does not appear to have been referred to the Committee. We assume that it will be in due course. But in any case, the content of the two bills are contradictory on the crucial policy issue of whether donations to political parties from particular business sectors should be permitted. This submission focuses on that issue. Therefore, for convenience this submission is drafted to deal with both bills together.

The **Government bill** amends the Commonwealth Electoral Act 1918 to implement a number of changes described in its Explanatory Memorandum including:

- making technical amendments to address anomalies in entity registration and public election funding rules
- improving electoral processes, electoral administration, vote issuing procedures and improve workforce flexibility for the Australian Electoral Commission
- expanding electronically assisted voting methods, which are currently only available to sight
 impaired persons, to Antarctic electors (Australians working in Antarctica). This replaces the special
 arrangements for Antarctic electors in the Electoral and Referendum Acts
- "clarify[ing] the relationship between federal and state and territory electoral donation and disclosure laws following the High Court decision in Spence v Queensland [2019] HCA 15".

The last point is the most controversial change, and is discussed in detail below.

Senator Waters' bill amends the Commonwealth Electoral Act 1918 to prohibit political donations from certain industries, and impose a cap on all other donations. The purpose of the amendments is to strengthen the integrity and accountability framework underpinning Australia's electoral system by preventing certain industries that have used, or have a strong public perception of using, political donations to influence policy decisions. Specifically, amendments are proposed to ban donations from the following sectors, including their representative organisations:

- property developers
- the tobacco industry
- the banking industry
- liquor and gambling businesses
- pharmaceuticals companies
- the mining industry.

'Ordinary' legislative improvements in the Government bill

We appreciate that the Government bill is the vehicle for a number of 'ordinary' improvements to the Electoral Act. Governments of the day have followed the practice in each parliamentary term of introducing an omnibus bill for the purposes of addressing issues previously identified by JSCEM, or identified by the Electoral Commission after reviewing the conduct of each federal election. We support this useful cyclical review practice to keep the Electoral Act up-to-date, and therefore we have no particular comment on the bulk of the Government bill.

CoErterotorra/elathjisEtatictor/Ah/Armetmetmte(N1/(ScartlaimegoDistly/Decoratics))s9/IB2/02/02/0 SubmisSidom/issiAttat/Biment 2

PHAA submission on the Electoral Legislation Amendment (Miscellaneous Measures) Bill

Political donations and the public interest

Our specific concern in this submission is with corporate donations to political parties. On this subject, the bill is a major disappointment in that it once again misses a much-needed opportunity to reframe the federal regime on donations on a variety of issues, including the minimum threshold for reporting donations, caps on donations, bans on donations generally, or from specific categories of business interest, and the timeframe in which donation disclosures must be made.

We refer the Committee to previous submissions made by PHAA to the Parliament on related topics, including:

- Submission to the Senate Select Committee into the Political Influence of Donations (October 2017)¹
- Submission to the Joint Standing Committee on Electoral Matters inquiry into the Electoral Legislation Amendment (Electoral Funding and Disclosure Reform) Bill 2017 (January 2018)²

PHAA notes in particular the damage to the public interest caused by public decisions being distorted through political influence to serve commercial interests. The problem is all the more serious when decisions benefiting commercial interests are 'purchased' by means of donations to political parties which foster into office those public officials who hold the power to legislate and govern. In many cases it is hard to see how such transactional financial relationships between government and business interests can be conceptually distinguished from corruption.

It is further contrary to the public interest that such transactions – when they are occurring – can occur away from effective scrutiny. Whilst such transactions do continue to occur, the public interest will be served by imposing the strongest practicable regime of transparency and accountability.

These problems have been extensively studied. A key recent analysis is the report of the Grattan Institute, Who's In The Room – Access and Influence in Australian politics (2018).³ The report defines the damage to the public interest as one whereby influencers create "windfall gains" for themselves, or are able to "further their interests at the expense of the public interest";

"Organised attempts to influence policy can create windfall gains for some, at the expense of others. Economists call this 'rent-seeking': when businesses try to influence government decisions to boost their wealth but not wealth overall." (Grattan 2018, 8)

These are broad public interest concerns, and PHAA is certainly concerned with the public interest in overall integrity and fairness, and consumer protection, in economic activity. But in addition PHAA, given its public health goals, is specifically focussed on the impact which the interest-seeking that some specific business sectors have on the health and wellbeing of people. Some specific examples of major impacts on health and wellbeing resulting from business sector influence are discussed later in this submission.

With these issues in mind, in the course of those previous submissions PHAA reached the following general policy stance:

- Political donations should be banned
- If donations are to be maintained, or in the meantime:
 - There should be a single national online register of all donations, regardless of the amount, updated daily for real-time disclosures

¹ https://www.phaa.net.au/documents/item/2438

² https://www.phaa.net.au/documents/item/2608

³ Grattan Institute, Who's In The Room - Access and Influence in Australian politics (Wood D and Griffiths K, 2018).

CoEnterotoma/elaethisEleeictorAmArmelmennetme(Mi(scartleime;cDistMeascarteisi)s9i1B21022020 SubmisSidomissAdtaComent 2

PHAA submission on the Electoral Legislation Amendment (Miscellaneous Measures) Bill

- The register should include donations in other forms including gifts, attendance at fundraising events, fees for membership of and attendance at networking and other similar forums, sponsorships and hosting events
- The register should include disclosure of all meetings between donors and political parties and their respective representatives
- o Tax deductions for political donations should be banned
- Political donations from companies whose goods cause demonstrable public health damage, such as tobacco, alcohol and gambling, should be banned.⁴

Business sector donation prohibitions

The history of specific business sector prohibitions

We turn now to the key issue of whether specific sectors of business interests should be *prohibited* from making donations to political parties. It is convenient to reprise the history of legislation over the past decade on this topic briefly:

- In 2011, following on from significant public scandal relating to property developers influencing government and legislative decisions, the NSW Parliament saw fit to pass law prohibiting the property development sector from making political donations to political parties in NSW.
- In May 2014, the Government appointed a Panel of Experts, led by Dr. Kerry Schott, to report on options for the long-term reform of election funding laws, resulting in strengthening of anti-evasion laws and other improvements.
- In 2015 a property development business challenged the validity of the state laws in the High Court, but the Court upheld the validity of the laws as an appropriate response to a legitimate legislative concern, namely the need to protect the NSW parliament and government from actual corruption, and/or the public perception that corruption might be occurring.
- Subsequent events including investigations by the NSW ICAC in 2015-16 (notably Operation Spicer)⁵ revealed that at least some degree of donation activity in breach of the law was continuing.
- Evidence emerged that evasion of the NSW law was undertaken by at least one major political party by means of direct illegal donations through the national office of the party.
- Provisions amending the Commonwealth Electoral Act passed by the Commonwealth Parliament in 2018 attempted to exclude moneys donated to 'federal' offices of political parties from the application of the NSW law.
- In 2018 the Parliament of Queensland reformed its law on donations to also adopt a prohibition on property developer-sector donations, essentially similar to those adopted in NSW.
- In 2019 the impact of the 2018 Commonwealth provisions excluding the state laws from applying
 to 'federal' flows of donation money were considered by the High Court in the Spence case
 (referenced in the explanatory memorandum of the bill, above), and the provisions were found to
 be beyond the power of the Commonwealth Parliament to enact, and were therefore invalid.
- The law in NSW has recently been strengthened by requiring the processes for considering planning and development applications to ensure that developers have complied with the law. As recently as

⁴ PHAA Submission to the Senate Select Committee into the Political Influence of Donations, October 2017 - https://www.phaa net.au/documents/item/2438

 $^{{\}small 5\ https://www.icac\ nsw.gov.au/investigations/past-investigations/2016/nsw-public-officials-and-members-of-parliament-operation-spicer}\\$

CoEntero tom avelately is Electron Am Armelmenne (Mi (Sozenla imego Dist Measure test) is 3 il B21022020 Submis Sidom 1 se Autra Coment 2

PHAA submission on the Electoral Legislation Amendment (Miscellaneous Measures) Bill

this week the NSW planning department has revealed that numerous companies have failed to comply with political donation prohibitions.⁶

The competing bills presented to the Senate attempt to add to this history either one of two future steps:

• The Government Bill would legislate for another version of its 2018 'exclusion' provisions, premised on the expectation that new and different drafting would survive High Court challenge.

or

• Senator Waters' bill would achieve very much the opposite: to add to Commonwealth law (but not to the state law of states that have not also legislated) a general ban on a number of business sectors (including property developers but extending it to the wider list noted above) from making donations 'at federal level'.

Obviously, these two proposals are going in contradictory policy directions.

The case for sector prohibition proposals

Senator Waters' bill would make it illegal for certain categories of businesses (tobacco, gambling etc) to make *any* donations to political parties. **PHAA believes that this policy direction is strongly in the public interest**.

We note that both the New South Wales and Queensland parliaments have extensively examined the impact of donations from one particular business sector on the list in Senator Waters' bill – property developers – and clearly concluded that their financial relations with political parties are inappropriate, conducive of potential corruption, and also of the perception of corruption even were none occurring.

Subsequent events, outcomes of investigations by the media and regulatory agencies, and regulatory action in both states have provided ample evidence that the judgement of these parliaments was sound.

At the federal level, we also note the extensive study of this issue carried out by the Senate Select Committee inquiring into the Political Influence of Donations in 2017-18. The final Report of the Committee^Z addressed the seriousness of the problem, identifying the influence of the gambling industry, the alcohol industry and the mining industry, among others, and found that:

- 3.3 Political funding has the potential to undermine the fundamental principles of accountability and acting in the public interest, and by extension, the integrity of representative government, by 'leaving in its wake particular kinds of corruption'.
- 3.4 Of specific interest to this inquiry is the risk that political funding; in particular, large donations from private interests, poses in terms of 'corruption through undue influence'. Such corruption constitutes a type of conflict of interest.

The Grattan Institute has identified a category of 'highly regulated' business sectors as making above—average lobbying effort and above-average donations to state and federal political parties, and receiving favourable public decision-making in return. Figure 2.3 of their previously cited 2018 report (shown following page) displays the results for the state of Queensland.

 $^{{\}small 6\ https://www.theguardian.com/australia-news/2020/jul/03/seven-companies-unlawfully-hid-political-donations-from-nsw-planning-authorities}$

 $https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Political_Influence_of_Donations/PoliticalDonations/Report_1$

CoErterotomald at the influence of the control of t

PHAA submission on the Electoral Legislation Amendment (Miscellaneous Measures) Bill

Figure 2.3: Highly regulated industries lobby hardest

Share of external political donations, contacts and meetings in Queensland 80% **Donations** Meetings with Commercial (\$7.5m in total) lobbying contacts senior ministers (700 in total) (800 in total) 60% 40% 20% 0% High reg. Low reg Peak Prof. Consumer, Union body services Community

Notes: Individuals and unknown entities excluded (individuals represented 13 per cent of major dohations and unknown entities less than 1 per cent). All donations declared to April 2018. Lobbying contacts includes only clients that made at least five contacts. Analysis was only conducted for Queensland, where data on commercial lobbying contacts is available.

Sources: ECQ (2018), QIC (2018) and Queensland Government (2018).

The conclusion is clear; where business sectors identify opportunities for economically distorting regulatory decisions, they seek to influence governments, including by financial payments to governing political parties. Indeed, it actually emerges that the bulk of lobbying and donation activity is carried out by businesses in the 'highly regulated' category.

or Cause

The list of business sectors which the Grattan report identifies as 'highly regulated' largely mirrors that included in the scope of Senator Waters bill. They include sectors of particular concern in relation to public health, such as tobacco, alcohol, food and gambling. The mining-resource industry is also of major public health concern due to the impact of mining in itself, and also of mined-resource energy generation, on the natural environment and climate.

There is clear evidence that the sectors identified to be of concern are indeed major political donors. Data on donations that are required to be disclosed under current laws is released by the federal and state electoral commissions – although unfortunately not in a uniform manner, nor in a form convenient to examine over longer timeframes. There is no doubt that the mining-resource sector and the property development sector are both large-scale donors to political parties. Donations are also very significant from the hotel-club sector (which is heavily involved in gambling and alcohol sales), the gaming sector, and the alcohol sector (production and retail). The tobacco industry donated significant sums historically, although recently its donations have been limited by voluntary refusal policies adopted by the Labor Party (2005) and the Liberal Party (2015).

It may be useful to briefly state the significance of the burden of harm caused by some of the more significant business sectors in issue here.

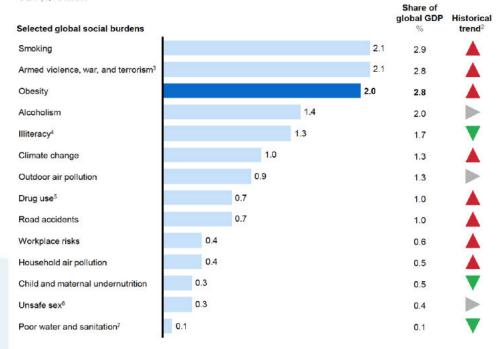
The tobacco industry, perhaps more than any other commercial business sector worldwide, engages in conduct which justifies governments in imposing regulation in the interests of the public health and wellbeing. This is because the tobacco sector is directly responsible for the single greatest burden of harm to humanity, measured in economic terms, exceeding the impacts of other burdens including obesity, alcoholism, and even 'armed violence, war and terrorism' (Overcoming obesity: An initial economic analysis, McKinsey Global institute, 2014) (see diagram on following page).

Contrentorra/dathhistatictor/Ah/Annehmehmehme/N/(StanhaimeoDistly/Eastatesh)s3)ilB21020020 SubmisSidom(ss/Autate8ment 2

PHAA submission on the Electoral Legislation Amendment (Miscellaneous Measures) Bill

Estimated annual global direct economic impact and investment to mitigate selected global burdens, 2012¹





¹ Based on 2010 disability-adjusted life years (DALY) data from the Global Burden of Disease database and 2012 economic indicators from the World Bank; excluding associated revenue or taxes; including lost productivity due to disability and death, direct cost, e.g., for health care, and direct investment to mitigate; GDP data on purchasing power parity basis.

- 2 Based on historical development between 1990 and 2010 of total global DALYs lost (Global Burden of Disease).
- 3 Includes military budget.
- 4 Includes functional illiteracy.
- 5 Includes associated crime and imprisonment.
- 6 Includes sexually transmitted diseases. Excludes unwanted pregnancies.
- 7 Excludes lost time to access clean water source.

SOURCE: Literature review, World Health Organization Global Burden of Disease database; McKinsey Global Institute analysis

In the course of battling public health regulation of smoking, the industry has accordingly been one of the most active of all industries worldwide in political lobbying, granting donations to political parties and candidates, political advertising, and actual bribery and corruption. The industry's activities in Australia are catalogued in a regularly updated analysis maintained at the online resource *Tobacco in Australia – Facts and Issues* (for details see specifically chapter 10A.7 Mechanisms of influence—political lobbying).⁸

Tobacco industry donations to political parties have accordingly been highly controversial, and have increasingly come to be seen as unacceptably damaging to political parties which receive them. The Labor Party voluntarily ceased accepting tobacco industry donations from the 2004-05 reporting year, and the Liberal Party did likewise from the 2014-15 year onwards. However the National Party took donations from Phillip Morris Limited as recently as 2017-18, the impacts of which can be seen in the clear trend for National and LNP members of parliaments to support the industry's continuing attempts to forestall regulation of the vaping products which they have introduced to the market. The less significant Liberal Democratic Party also has historically received tobacco industry donation support.

The *alcohol industry*, together with the business sectors engaging in the retail sale of alcohol, is another very significant lobbying and donating sector in Australia. The regulatory landscape is characterised by continual efforts by these sectors to prevent improvements in public health policy and regulation, and indeed to influence governments to allow an even less regulated marketplace for the sale of unhealthy

⁸ https://www.tobaccoinaustralia.org.au/chapter-10-tobacco-industry/indepth-10a-strategies-for-influence/10a-7-the-mechanisms-of-influence-political-lobbyi

Control of the contro

PHAA submission on the Electoral Legislation Amendment (Miscellaneous Measures) Bill

products in unhealthy ways to vulnerable consumers. Policy debates over alcohol issues forms one of PHAA's more active areas of interaction with state and governments and parliaments, as demonstrated by our submission history on this subject.⁹

The regulation of alcohol is largely the responsibility of state and territory governments, but the federal government also has a role to lead national policy on alcohol through both a health viewpoint and an industry viewpoint, and we have seen clearly that the relevant business sectors are vigorous in attempting to influence the development of, for example, the National Alcohol Strategy 2019-28¹⁰. For these reasons, the alcohol sector provides another case for banning financial donations at federal and state/territory level.

Another industry of high public health concern is the *gambling sector*, which is responsible for a dramatic level of burden of harm in terms of financial loss, family breakdown, and loss of mental wellbeing, particularly impacting on low-income households (see PHAA's Gambling and Health policy position statement for more information. 11). The sector is regulated variously by both levels of government, often insufficiently to prevent or minimise the harms that it causes. Since the operations of this sector are almost entirely concerned not with the sale of a product of any daily value to consumers, but rather with crude financial redistribution from 'consumers' to operators, it is straight-forward for the sector to assess how great the returns are on any financial investment in political influence. Recent cases of gambling industry influence to prevent public health measures include the opposition to the Gillard Government reform policy in 2010-12, and the influence seen at the last Tasmanian state election in 2018. There is also a present debate over the terms of a 'reopening' of gaming machine operators as COVID-19 restrictions ease, which raises questions not only of communicable disease risks to customers and staff in gaming venues, but also of the underlying health and social risks of gaming itself. The federal government shares with state/territory governments the overall regulatory control of the gambling sector, and thus once again the case for banning donations to political parties from this sector is very strong.

The *pharmaceuticals sector* is one of the largest of all political influencers worldwide. In Australia the sector has relatively less visible impact than in other nations, due to the existence of our institutionalised process for Commonwealth subsidisation of pharmaceuticals, and the relatively independent processes of expert consideration in regard to changes in Australian Pharmaceutical Benefits Scheme (PBS) listed drugs. Lobbying or influence-wielding to affect decisions of the PBS authorities to list specific marketed drugs is relatively difficult for business compared to their influence activities in many other nations.

It should be noted that the products of the pharmaceutical industry – unlike the tobacco, alcohol and gambling industries – make a major contemporary contribution to improved health outcomes overall. Nonetheless, so large is the public expenditure that flows through the PBS system that many key policy and budgetary decisions are referred to Cabinet and Budget processes for final decision, opening up the potential for political influence to have a major impact. So great is the potential industry profit from favourable policy decisions that the pressure upon federal government decision-makers will remain very great, making this another industry where it is appropriate to prohibit all financial relations with political parties.

The correct policy response

Removing the influence option of financial donations to political parties of all of these sectors, as Senator Waters' bill would achieve, would therefore be strongly in the public interest.

⁹ https://www.phaa.net.au/advocacy-policy/submissions#Alcohol

¹⁰ https://www.health.gov.au/resources/publications/national-alcohol-strategy-2019-2028

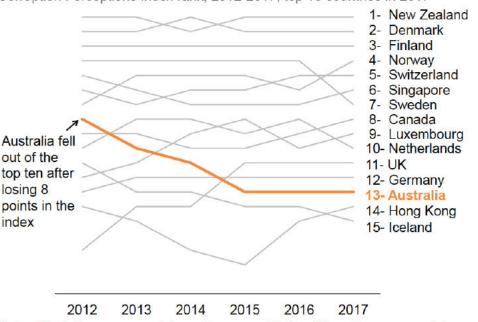
¹¹ https://www.phaa net.au/documents/item/2574

PHAA submission on the Electoral Legislation Amendment (Miscellaneous Measures) Bill

The existing impacts of perceptions of political influence on policy are measured by agencies such as Transparency International. Australia's relatively strong reputation for political probity is in decline, as indicated in Figure 1.3 (shown below) of the Grattan Institute report cited earlier (Grattan 2018, 14). This trend in perceptions of probity will do long-term harm to Australia's economic interests.

Figure 1.3: Experts say Australia is falling behind on international measures of corruption

Corruption Perceptions Index rank, 2012-2017, top 15 countries in 2017



Notes: The index scores countries on how corrupt their public sectors are seen to be according to surveys of business people, analysts and other experts. Australia is the only top ten-ranked country in 2012 to have had a statistically significant decline in the index since 2012 (from a score of 85 and a rank of 8th in 2012, to a score of 77 and a rank of 13th in 2017).

Source: Transparency International (2018).

Other NGOs and research bodies including the Accountability Round Table, the Centre for Public Integrity, and Transparency International Australia have worked this field and made various strong recommendations for reform. These and other public interest entities are regular correspondents to this Committee. We would highlight in particular the Centre for Public Integrity's recent detailed 15-point plan for eliminating undue political influence (2019).¹²

In conclusion, PHAA strongly supports current policy proposals to extend political donations prohibition to business sectors which are highly relevant to public health and wellbeing policy-making by governments and legislatures.

PHAA therefore recommends that Senator Waters' Bill should be enacted by the Parliament. Senator

Waters' bill would complement the desirable policy direction already embarked upon by some state parliaments.

For future consideration – although not raised directly by the bills discussed in this submission – would be the idea that a comprehensive approach to the political influence of the business sectors discussed here should also be reflected in the pattern of investments of Commonwealth and state instrumentalities, of which the Future Fund would be the most obvious example.

¹² https://publicintegrity.org.au/wp-content/uploads/2019/09/Eliminating-undue-influence.pdf

CoErterotorna/elaetigisEtaeictora/m/ermelmelme/N/1 (Staenhaime/cDistly/) Exostaties)) Spil 182/02/02/0 Submissionmissiontateament 2

PHAA submission on the Electoral Legislation Amendment (Miscellaneous Measures) Bill

The Government bill

In direct contrast with Senator Waters' bill, key provisions of the Government bill (contained in the proposed replacements to sections 302CA and 314B and linked clauses) are directed to the policy goal of permitting at federal level donations which are prohibited at state level. The provisions would have the opposite effect to that which is desirable in the public interest, allowing state-prohibited categories of businesses, whoever they may be, to continue to make donations to Commonwealth-registered parties, despite state parliaments having concluded that they have a corruptive impact on the political parties which accept them, based on an awkward distinction that turns on a concept of donations being expended solely on 'federal purposes'.

To date, the relevant state laws are addressed only to one category of business interests, namely 'property developers'. Such state donor prohibition laws are now in effect in New South Wales¹³ and Queensland¹⁴.

However given the progress of this policy debate, it is certainly conceivable that state law may in future add additional classes of business interest to the list of those whose influence is regarded as inappropriate or corruptive of government decision-making. The clauses proposed in the government bill would then also operate to undermine the effect of any such additional state law.

In conclusion, it is worth restating just how extraordinary the policy goal contained in the disputed provisions of the Government bill is. They seek to expressly permit certain businesses (or individuals) to engage in conduct which state parliaments have concluded is corruptive of good governance in Australia. No logical, public-interest reason to take this extraordinary step has been provided. Certainly, the ordinary law of Australia does not create any right of business interests to purchase influence with government. No constitutional principle creates any such right, and indeed the opposite constitutional objective – that of protecting parliaments and governments from corruptive influence – is long established.

The only apparent rationale for the inclusion by the Government of these clauses in the present bill is that existing parties and governments desire the flow of money from the property developer sector to political parties to continue. That desire for financial gain is itself the very force which leads to corrupted conditions of governance. The Government bill's policy goal is deeply inappropriate, and should not be supported.

PHAA recommends that the policies advanced in the proposed replacements to sections 302CA and 314B of the Government 'Miscellaneous Measures' Bill should NOT be supported, since they would work to undermine the strongly desirable public interest inherent in the policy direction already taken by some state parliaments.

The logical alternative is a coordinated federal-state legislative regime

The current conflict between state and federal legislators is wasteful of legislative and regulatory effort and is not advancing the public interest. For the reasons given above, PHAA believes that Commonwealth law should indeed develop into protecting parliamentary and government officers from any actual or perceived inappropriate influence by specific business sectors which have the character that they can derive unusual benefits through influence over regulatory or other government decisions.

A coordinated approach which unites both state and federal regimes would be a desirable end-point. In the meantime, the principle should at least be that parliaments which have concluded that their legislators and government officials should be protected from inappropriate and corruptive influence should have a free hand to address that problem, without disruption from the federal Parliament if the latter body has yet to reach that conclusion.

W: www.phaa.net.au

¹³ See Election Funding, Expenditure and Disclosures Act 1981 (NSW), Part 6, Div 4A.

¹⁴ See Electoral Act 1992 (Queensland), Part 11, Div 8, Subdiv 1A

CoErterotoma/elaetighisEateictor/Ahr/Aennetrmetrine(N/1/ScartlainnegoDistM/Deoscartesi))sE)iIB21022020 SubmisSidormissiAutratAennent 2

PHAA submission on the Electoral Legislation Amendment (Miscellaneous Measures) Bill

Establishing a robust donations disclosure regime

We also note additional context for considering the Government bill is raised by the separate introduction into Parliament of a number of bills on the subject of improving the regulatory regime for electoral donations *disclosure*, including:

- the Commonwealth Electoral Amendment (Donation Reform and Other Measures) Bill 2020 ("Senator Lambie's bill")
- the Commonwealth Electoral Amendment (Transparency Measures—Lowering the Disclosure Threshold) Bill 2019 and the Commonwealth Electoral Amendment (Transparency Measures—Real Time Disclosure) Bill 2019, both presented to the Senate by Senator Farrell
- the Commonwealth Electoral Amendment (Lowering the Donation Disclosure Threshold) Bill 2019 presented to the House of Representatives by Rebekah Sharkie MP.

Of these proposals, the most comprehensively is Senator Lambie's bill, which generally incorporates solutions similar to, or covering the same issues as, the other shorter bills. Enacting Senator Lambie's bill would substantially improve the regime for transparency of donations made to political parties. That being a very desirable end in the public interest, **PHAA recommends that the Committee should give support to Senator Lambie's Bill, and make such a recommendation to the Senate in its report**. (We note that this bill has been referred by the Senate for specific inquiry by the Senate Standing Committee on Finance and Public Administration, and PHAA has made a separate submission to that inquiry.)

PHAA recommends that relevant members of Parliament come together to discuss resolution of the fairly minor policy differences in the details of the bills that are already before Parliament, most notably regarding the specific disclosure threshold dollar value (\$2,500 vs \$1,000).

Summary of recommendations:

- Senator Waters' Commonwealth Electoral Amendment (Banning Dirty Donations) Bill 2020 should be supported by the Committee and enacted by the Parliament.
- The policies relating to immunising political parties from state laws against inappropriate business sector donations, advanced in the proposed replacements to sections 302CA and 314B of the Government 'Miscellaneous Measures' Bill, should NOT be supported.
- Senator Lambie's Commonwealth Electoral Amendment (Donation Reform and Other Measures)
 Bill 2020, should be supported by the Committee and enacted by the Parliament.

The PHAA appreciates the opportunity to make this submission. Please do not hesitate to contact us should you require additional information or have any queries in relation to this submission.



Terry Slevin
Chief Executive Officer
Public Health Association of Australia

3 July 2020