



Australian Council of Social Service

16 April 2018

Select Committee into the Political Influence of Donations
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600

politicaldonations.sen@aph.gov.au

To whom it may concern,

Re: Regulation of third parties—Political funding and disclosure

The Australian Council of Social Service (ACOSS) is a national advocate for action to reduce poverty and inequality and the peak body for the community services sector in Australia. Our vision is for a fair, inclusive and sustainable Australia where all individuals and communities can participate in and benefit from social and economic life.

The Senate Select Committee into the Political Influence of Donations has been established to inquire into, and report on, the regulation of third party organisations with respect to political funding and disclosure. ACOSS makes this submission about one specific issue of third party regulation – Section 314 AEB(1)(a)(ii) of the *Electoral Act 1918*, and the requirement for third parties to submit returns of their political expenditure where they are engaged in issues based advocacy.

ACOSS notes that the Joint Standing Committee on Electoral Matters has recently established an inquiry into the *Electoral Legislation Amendment (Electoral Funding and Disclosure Reform) Bill 2017*. ACOSS has made several recommendations to this inquiry regarding the regulation of third parties in the Commonwealth Electoral Act 1918, and our submission to that inquiry is attached.

ACOSS notes that section 314AEB of the Act, which came into effect in March 2018, provides that a person must provide a return for a financial year in accordance with that section if the person incurred more than \$13,500 in expenditure in (among other things) the public expression of views on an issue that is, or is likely to be, before electors in an election (whether or not a writ has been issued for the election) by any means. In 2011, the Joint Standing Committee on Electoral Matters recommended that the Act be changed so that the public expression of views on an issue in an election was no longer subject to regulation. This recommendation was not adopted, and instead, the Act was changed in September 2017 to the new definition as per above.

Section 314 AEB(1)(a)(ii) of the Act conflates the role of charities and not for profits with political parties and candidates for election. It places administrative and other requirements on them that are similar to political parties. It also characterises issues-based advocacy as a “political purpose” and spending on issues-based advocacy as “political expenditure”.



This new definition is exceptionally broad and potentially includes expenditure on the public expression of views on virtually any issue that relates to the Commonwealth Government. Under the previous, much narrower definition, very few charities and not for profits submitted returns, however this new definition will likely mean that a significant number of charities and not for profits will be captured by the regime. This additional red tape will have a chilling effect on advocacy, where organisations that previously made a contribution to the public debate choose between subjecting themselves to the reporting regime and undertaking advocacy on federal issues.

Charities and not-for-profits have a special place in the civic life of the nation. They speak for and with some of the most disadvantaged people and communities, and have played a leading role in the development of some of the rights, laws and policies that we take for granted today. Whether it is campaigning for people experiencing homelessness, mental health, women's rights or environmental justice, charities and not-for-profits play a key role in important debates and ensure that often marginalised voices are heard. It is vital for a vibrant civil society that additional red tape not stand in the way of charities and not for profits speaking out on issues that affect us all.

ACOSS recommends that the Act be amended so that Section 314AEB(1)(a)(ii) is deleted.

We would be happy to provide the Committee with further information upon request.

Yours sincerely,

Dr. Cassandra Goldie
ACOSS CEO