Friday 9 September 2022

Committee Secretary Joint Standing Committee on Electoral Matters PO Box 6021 Parliament House Canberra ACT 2600

by email only to em@aph.gov.au

Dear all

Submission to the Joint Standing Committee on Electoral Matters' inquiry into the 2022 federal election

Thank you for giving me an opportunity to raise some big (and small) questions about the future of our electoral democracy.

I am someone deeply invested in building fair, inclusive and participatory democracy so I wanted to submit to the Committee and ask you to tackle the more difficult problems with our electoral democracy over the next term.

Many of these topics are deserving of inquiries in their own right.

Australia was, for a long time, the laboratory for democratic reforms around the world. We led the way on the secret ballot, women's suffrage (for some at least), a living wage for MPs, compulsory voting, preferential voting and more.

But over the last twenty years, we've stalled.

For too many people, democracy isn't working - not the way it should and not the way we say it does.

While better than many other countries, our system still leaves people feeling like their voice isn't being heard or their vote doesn't count.

Political parties, unions and civil society have retreated from the idea of growing democracy, instead investing their political capital into bureaucratic-technocratic tweaks which ultimately don't trust the voting public to make the decisions to govern themselves.

The solution is a bold agenda for democratic renewal, putting people power back at the heart of our politics.

In this submission, I invite the Committee to consider what is needed to close the democratic trust deficit that disillusions young Australians from fully participating in our democracy, society and economy. But I want to begin with a warning and reflection on what happens when democracy fails to represent people and

The stakes are now incredibly high. If democracy fails to provide what people need then they jump to the politics of someone to blame and someone to follow. If democracy cannot stop social injustice or the climate emergency, then maybe other authoritarian political systems might.

The only option is to deepen democracy in every way possible.

Giving people a vote that counts is just the first critical step of many.

Jack Jeffrey and Josh Dell¹

I am available for further discussion if required and my apologies for creating more work for the Committee.

Yours sincerely

Travis Jordan (he/him)

deliver real material change:

Campaigns and strategy consultant



¹ Jeffrey, Jack and Dell, Josh, 'Talking Democracy Report' (2021) *Unlock Democracy* <<u>https://unlockdemocracy.org.uk/talking-democracy-report</u>>.

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Before this process began it was claimed that people did not want to get involved in decision making: 'As long as the bins are emptied and the buses run on time, people just want to get on with their lives' or something similar, was a common refrain. The learning from this process has been the opposite.

Not only because the bins are often not emptied and the buses are late, but because people are crying out for a sense of control over what is happening to them and their communities. People have accepted the minimal version of democracy because it was all that was on offer – but give people the ability to exercise their democratic muscles, and those muscles grow.

Jess Garland and Willie Sullivan²

It is impossible to have a fully democratic society when the scope of democratic agency is excessively restricted, and when the day-to-day experience of living and working in society undermines rather than supports and advances one's sense of oneself as an active democratic citizen.

Joe Guinan and Martin O'Neill³

² Garland, Jess and Sullivan, Willie, "Democratising the State" in Berry, Christine, et al. *The New Foundations: A Future Built on Democracy* (2021) Politics of the Many. <<u>https://politicsforthemany.co.uk/the-new-foundations-a-future-built-on-democracy</u>/>

³ Guinan, Joe and O'Neill, Martin. The Case for Community Wealth Building (2019) Polity

Recommendations

In brief, I recommend to the Committee for their consideration:

- That the Joint Standing Committee on Electoral Matters conduct within the term of the 47th Parliament a further inquiry into the *Representation Act 1983* with a view to determine what an appropriate increase in the size of the House of Representatives and Senate would be considering the function of a Member of Parliament in contemporary Australian society.
- 2. That the *Electoral Act 1918* be amended to grant four Senators to the Australian Capital Territory and the Northern Territory, each serving a term until the next general election.
- 3. That the Joint Standing Committee on Electoral Matters conduct an inquiry into the political representation of residents of Australia's external territories, specifically on whether designated seats would be desirable.
- 4. That the Joint Standing Committee on Electoral Matters conduct a further inquiry into increasing proportionality in the House of Representatives, including the implications of conducting their elections using the Hare-Clark single transferable vote with the Robson rotation in multi-member divisions.
- 5. That New Zealand citizens resident in Australia be immediately granted full voting rights in all Australian elections.
- 6. That the Joint Standing Committee on Electoral Matters conduct a further inquiry into expanding the franchise for Commonwealth elections to all permanent migrants and temporary migrants with an intention to be resident in Australia for an extended period.
- 7. That a stronger political campaign finance framework be introduced as soon as practicable that balances fairness in the conduct of elections, the need for greater and timelier transparency and reduced administrative burdens on political parties and campaigns, and which includes the following features:
 - a. Restricts political donations for electoral purposes to individuals or authorised aggregators.
 - b. Caps political donations, both per year per candidate and per party in aggregate
 - c. Ensures donations accumulate for the purpose of this cap both for donations made directly by an individual and those made on their behalf by an aggregator.
 - d. Bans donations made by non-individuals except where an organisation is acting as an aggregator on behalf of their membership or directors.
 - e. Caps aggregate expenditure at either per voter per division or at a fixed amount per candidate, whichever is lower.

- f. Adjusts all dollar amounts, be it caps or rates, annually against the consumer price index.
- g. Reduces the disclosure threshold for all donations, whether monetary or in-kind, to a fraction of the individual donation cap.
- h. Requires all disclosures by aggregators be accounted for against each individual that aggregator is donating on behalf of.
- 8. That the reimbursable public election funding be increased to a rate comparable to those in Queensland or the Australian Capital Territory.
- 9. That lump-sum and discretionary public election funding be consolidated into a smaller per-vote rate with an appropriate floor for smaller political parties.
- 10. That the Joint Standing Committee on Electoral Matters conduct a further inquiry into establishing a public clearing house for political donations.
- 11. That the *Electoral Act 1918* be amended to remove the privileged position Parliamentary parties have for the purpose of registration as a political party.
- 12. That registered political parties be required to publicly publish annual reports that disclose, at a minimum, current officeholders and senior staff, current membership figures, a schedule of membership fees and privileges and the results of internal elections.
- 13. That the Joint Standing Committee on Electoral Matters conduct a further inquiry into improving the governance of and strengthening the regulation of political parties.
- 14. That a Parliamentary select committee be established to interrogate Australia's poor political participation rates and set clear goals to boost membership in all democratic organisations.
- 15. That the regulation of political parties beyond that which is necessary for the conduct of an election be removed from the Australian Electoral Commission and be placed with a new agency with broad powers to improve democratic participation and governance of political parties.
- 16. That the colours in the Australian Electoral Commission's brand guide be protected by regulation and prohibited from use in any authorised material.
- 17. That material that seeks to wilfully mislead voters into believing the material originated from the Australian Electoral Commission or a registered political party be prohibited.
- 18. That political authorisations on any published campaign materials, including online materials, be required to be of a minimum size, relative to the size of the material and considering the distance a reader would be reading the material from.

- 19. That any material intended to be distributed or displayed at a polling place including placards, posters, "how to vote" instructions and third party campaign "scorecards" be lodged in a publicly accessible database at least a week before the start of the polling period.
- 20. That the independent Remuneration Tribunal be empowered to determine the allocation, resourcing and duties of personal political staff and electorate staff, taking into account the relative real workload of each representative, their Parliamentary and political roles and the relative resourcing of their political party in Parliament.
- 21. That the Australian Electoral Commission undertake a technical study to find a systemic way to determine on polling day if a 3CP or 4CP count is necessary in a given division.
- 22. That completion of indicative 2PP counts at a given booth not be required for primary vote counts to be released on the evening of polling day.
- 23. That electronically assisted counting in the manner of the Senate count be implemented for the House of Representatives counts and all ballots be scanned and full preference distributions calculated as a matter of routine.
- 24. That grouped Senate candidates without a registered political party be permitted to nominate that the surnames of the first two grouped candidates be listed "above the line".
- 25. That savings provisions be introduced that ensure House of Representatives ballots are counted where, but for a gap in sequence, the intention is clear, provided that advocating that voters mark their ballot informally but for savings provisions remain prohibited.
- 26. That the Australian Electoral Commission undertake further research to determine appropriate savings provisions for House of Representatives ballots.
- 27. That exemptions for political parties, candidates, campaigns and contractors be removed from the *Spam Act 2003* and *Do Not Call Register Act 2006*.
- 28. That political material distributed by any mass telecommunications service include a prominent one-click unsubscribe link.
- 29. That the Do Not Call Register form be updated with options for people to separately opt-out of automated political calls and texts and personal political calls and text chats.

Background

Before I get into the details of my suggestions for what the Committee should consider over this term, I want to briefly outline my thinking and the principles and research that underpin what I propose.

Underpinning all my recommendations are ten principles I hold important to an inclusive, engaging and fair electoral system:

- 1. Legitimacy power resides with all people and any legitimate institution draws on the power of the people.
- 2. *Representation* voters are entitled to a local, responsive and accessible political representative.
- 3. *Proportionality* voters are entitled to an election result that accurately reflects their voting intention.
- 4. *Accountability* voters are entitled to influence and control of the political process even outside of regular elections.
- 5. *Transparency* democracies need to be open to scrutiny with the proactive release of information, on demand to anyone.
- 6. *Inclusion* people at the boundary of our democracy must be brought into it, empowered with an equal voice to all others.
- Plurality a diversity of political opinion and the creative conflict between them of each builds a strong democracy.
- 8. *Compliance* democratic systems, processes and rules are fairly, consistently and impartially regulated in a timely manner.
- 9. Aesthetics the ritual of democracy is important to creating trust and long-lived institutions.
- 10. *Connection* electoral democracy must be supported by democratising the institutions and powers that influence our lives.

These are the values I test every policy reform against.

I have also reviewed much contemporary research and writing on Australia's democracy and what Australians want out of their political system. I'd first note that there's unfortunately not a huge amount of data on what Australian voters actually want out of their political system — at least very little embedded in how politics works.

Or maybe more accurately, the language and values shared by some political science academics and researchers who conduct this research doesn't neatly line up with the language and values of regular people or with those of political elites (talking mostly of MPs, parties and their staffers and campaigners), or even with those of the Press Gallery. While we may share the words, we don't necessarily have a shared sense of those words' meanings.

This is a brief summary of some of the sources I've drawn on to make my conclusions about how Australians want to see their political system function. These sources cover *engagement* — how individuals interact with political institutions, *representation* — how political institutions reflect back those individuals' values through elections, and *servicing* — how those elected representatives fulfil peoples' civic-constituent rather than necessarily political needs.

Most research tends to focus on the more nebulous idea of "trust" and "democratic deficit"⁴. My problem with focusing on "trust" is it prefigures an inactive politics, one where people are not necessarily interested in big ideas about society or justice. As a result, and as this research suggests, reforms or refinements that retain the technocratic-bureaucratic political culture of our system can stifle it. It's understandable given the international context — but these studies even acknowledge that Australians feel a tension between feeling like a mere observer to politics and not knowing how or why they should do more.

A 2016 study found that, contrary to many democracy campaigners' claims, Australians do not necessarily want more compromise, consensus, business-thinking and "getting on with the job"⁵. They think extensive debate and inquiry in Parliament is important, want their politicians to stand by their promises and principles, and want to be more engaged in formal politics.

Curiously though, those 2007 and 2010 studies still found that the majority of Australians wanted from the political system "in the future, say 20 years from now" should be structurally different to the current systems — indicating a broad level of support for experimentation and development in governance (although the most popular option was to abolish states altogether)⁶.

⁴ '21st Annual Edelman Trust Barometer' (2021) *Edelman* <<u>https://www.edelman.com/trust/2021-trust-barometer</u>> and Markus, Andrew, 'Mapping Social Cohesion' (2021) *Scanlon Institute* <<u>https://scanloninstitute.org.au/research/mapping-social-cohesion</u>>.

⁵ Evans, Mark and Gerry Stoker, 'Political Participation in Australia: Contingency in the Behaviour and Attitudes of Citizens' (2016) 51(2) *Australian Journal of Political Science* 272 <<u>https://doi.org/10.1080/10361146.2015.1123672</u>>

⁶ Brown, AJ, 'From Intuition to Reality: Measuring Federal Political Culture in Australia' (2013) 43(2) *Publius* 297 <<u>https://research-repository.griffith.edu.au/handle/10072/48201</u>>

But similar surveys over the last decade also found that "citizens view themselves to be observers of, rather than participants in, formal politics". In fact, 70% felt they had no influence on local and state politics, rising to nearly 90% for federal politics⁷.

The same surveys identified a pretty significant disconnect between what the average voter thinks is important and the priorities of political elites — especially what MPs and the Press Gallery feel comfortable with. This submission touches on three of those priorities the average voter came up with: a "none of the above" option, smaller electorates and greater internal democracy for parties.

Politicians on the other hand are more than happy with (limited) donations reforms, more "deliberative democracy", more e-petitions, four year fixed terms or regional sittings of Parliament⁸. Notably, the reforms politicians were comfortable with were the kind that did not threaten their power, re-election prospects or position within their parties and caucuses.

Putting engagement aside for a moment, people still have a strong understanding and appreciation of the "constituent" work politicians do (in formal surveys at least, maybe less so on social media). That still creates a problem. They value constituent work, and certainly punish to some extent politicians who fail to provide adequate constituent servicing. But that workload has been increasing over decades, exacerbated by the tendency to reduce the number of elected representatives — despite Australia's population growing at a very high rate. A 2016 study found one in four Australians had contacted an elected representative about a matter in the last three years⁹.

This work, which covers everything from going to church services and school fetes to helping people navigate Centrelink or visa applications to running local issues campaigns like saving a tree or fixing a pothole, is part of what I call civic-constituent work, the somewhat-obscured work that takes up the vast majority of the time and resources of a politician and their office.

Generally, the public — even the highly engaged cohort on Twitter — have a poor understanding of what a politician's job actually entails, sharing a very reductive view of a politician's job as performing in Parliament (a view they share with the parts of the Press Gallery that exploit those performances for clicks and relevance).

⁷ Stoker, Gerry, Evans, Mark and Halupka, Max, 'How Australians imagine their democracy: The "power of us" — Australian Survey of Political Engagement findings' (2017) *Democracy 100*

<http://www.governanceinstitute.edu.au/magma/media/upload/publication/408 Democracy100-report-IGPA.pdf>

⁸ Stoker, Gerry, Evans, Mark and Halupka, Max, 'How Australian federal politicians would like to reform their democracy' (2019) *Democracy 100* <u>https://apo.org.au/sites/default/files/resource-files/2019-10/apo-nid263581.pdf</u>

⁹ Evans, Mark and Gerry Stoker, 'Political Participation in Australia: Contingency in the Behaviour and Attitudes of Citizens' (2016) 51(2) *Australian Journal of Political Science* 272 <<u>https://doi.org/10.1080/10361146.2015.1123672</u>

Civic-constituent work differs from what I call *Parliamentary-political* (voting on legislation, debating motions), *Parliamentary-administrative* (committee inquiries, questions on notice, estimates, etc), *Party coordination, people management and administration, policy development, policy promotion and campaigns, media and communications* and *political education and outreach*.

These functions are most of what a politician and their office does. All of these functions have political dimensions, but people carry them out in very different ways and have very different perceptions about their relative importance or utility. These functions are what I keep in mind further when I talk about staffing and resourcing of MPs' offices.

In our system, other work functions like facilitative (using discretionary powers to bypass bureaucratic processes) or administrative (directing and authorising the work of the bureaucracy) fall mostly within the jurisdictions of Ministers, a much smaller subset of MPs (which is why some integrity and anti-corruption campaigning can miss the mark if they're drawing from a more American-centric idea of what an MP does or can do).

While obviously each level of government deals with hugely different issues, with big differences in pay, prestige, power and influence and different political dynamics at play, there's still a baseline workload of constituent servicing, community appearances and civic affairs that voters expect from elected representatives — a workload more easily shared the more active representatives there are.

It is true that many voters dislike and distrust their elected representatives now more than ever. But it is not the kind of loss of trust that leads people to take up arms against democracy. Instead it is the kind that leads them to throw up their arms in despair.

David Runciman¹⁰

Governments of all stripes have attempted to reduce democratic disconnect by offering up a shopping list of policies to 'restore trust' but few, if any, have managed it, because these symptoms call for a more radical response. What we are seeing across the globe is a shift in what democracy means, and in what citizens expect: greater power and greater voice.

Jess Garland and Willie Sullivan¹¹

¹⁰ Runciman, David. *How Democracy Ends* (2018) Basic Books

¹¹ Garland, Jess and Sullivan, Willie, "Democratising the State" in Berry, Christine, et al. *The New Foundations: A Future Built on Democracy* (2021) A report for Politics of the Many. https://politicsforthemany.co.uk/the-new-foundations-a-future-built-on-democracy/

Big picture

Growing Parliament for the first time in forty years

The last time Parliament got bigger was in 1984.

Bob Hawke's new government passed the *Representation Act 1983* in conjunction with wide-ranging electoral and integrity reforms (including group voting tickets), before calling a snap election. This followed the High Court's controversial decision¹² in 1977 to apply the nexus rule to reduce the House of Representatives by three MPs and a very comprehensive report by the Joint Select Committee on Electoral Reform¹³ which grappled with reconciling Australia's growing population with a Senate that wasn't always cooperative.

During the second reading speech on the Representation Bill, the Special Minister for State noted:

The last occasion on which there was a substantial increase in the size of the Parliament was 1948. In the 35 years since then, Australia's population has doubled approximately. The tasks of government and of individual members have grown profoundly and people's expectations about what their representatives can achieve have increased markedly. It is essential that our Parliament is able to cope with these changing demands and to meet the needs of the 1980s and beyond. Past practice suggests such adjustments are rare and therefore it is necessary for legislators to consider problems in the future as well as their immediate circumstances when considering an increase in the size of the Parliament.

Kim Beazley, Special Minister for State¹⁴

In nearly 40 years since this speech, Australia's population has once again nearly doubled and the breadth of work before governments has only grown and grown more complex.

And yet the trend in local and state politics has been to shrink (NSW, Victoria and Tasmania plus various local government rationalisations) or very slightly increase (Queensland added three state seats in 2016 for example). Tasmania's recent announcement that they are reverting to their mid-'90s 35 seat configuration indicates that the mood is finally shifting.

¹² Attorney-General (NSW); Ex Rel McKellar v Commonwealth [1977] High Court of Australia <<u>http://www6.austlii.edu.au/cgi-bin/viewdoc/au/cases/cth/HCA/1977/1.html</u>>

¹³ Joint Select Committee on Electoral Reform, Parliament of Australia, *All aspects of the conduct of elections for the Parliament of Australia* (Report, September 1983)

<<u>https://www.aph.gov.au/Parliamentary_Business/Committees/House_of_Representatives_Committees?url=reports/1983/1983_pp22</u> 7.pdf>

¹⁴ Commonwealth, *Parliamentary Debates*, House of Representatives, 2 November 1983, 2211 (Kim Beazley, Special Minister for State) <<u>https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22chamber%2Fhansardr%2F1983-11-02%2F0055%22</u>>

There's a perception among political commentators that more representatives merely invites chaos — that bigger, more diverse Parliaments make governing more difficult and that giving MPs more and more staff to do the "busywork" (usually constituent work or dealing with the party) would let them focus on the work in Parliament and with the media. These views were echoed in that 1983 Joint Select Committee report that: "*existing representatives can be rendered more effective in their role by allocating to them resources which would otherwise be required to finance an increased number of representatives (as in the USA)... the prime functions of Members of Parliament are to be legislators rather than legislative ombudsman"¹⁵.*

Behind this perception is the presumption that regular voters believe the internet and ubiquity of computers and social media has made the job of being a politician easier. The belief is that the median voter wants politicians to "get on with the job" in Parliament and don't value constituent servicing anymore — and maybe go as far as to want "less politicians". This is, in a sense, correct.

Surveys¹⁶ suggest voters want less antagonistic (but not necessarily less agonistic) politics, more consensus and coalition building and less "playing politics" — which usually means appealing to the Press Gallery over discussing issues.

But this misses that voters also want more responsive and active local MPs, and that the scale of constituent servicing has grown consistently, even above population growth¹⁷. They also want outcomes that, ideally, reflect their primary voting intention.

Going back to the 1983 report, the case for change covered everything from the Commonwealth's accumulation of new duties and portfolios over time, the growth of Cabinet and problems with finding executive talent among a smaller and smaller backbench, the emerging importance of the Committee system and overloading MPs with inquiries, and the need to achieve as close to one-vote-one-value as possible.

All these are as true in 2022 as they were in 1984.

According to the Parliamentary Library, while the size of Parliament has been fluid since Federation, it has only been intentionally increased twice: in 1949 and in 1984 - and "in both 1949 and 1984 a major reason given for the

¹⁶ As an example, see this poll immediately after the May 2022 Federal election: Murphy, Katharine, 'Guardian Essential Poll Suggests Two-Thirds of Australians Think Expanded Crossbench a Positive', *The Guardian* (online, 30 May 2022) <<u>https://www.theguardian.com/australia-news/2022/may/31/guardian-essential-poll-suggests-two-thirds-of-australians-think-expandedcrossbench-a-positive></u>

¹⁷ Evans, Mark and Gerry Stoker, 'Political Participation in Australia: Contingency in the Behaviour and Attitudes of Citizens' (2016)
 51(2) Australian Journal of Political Science 272 < <u>https://doi.org/10.1080/10361146.2015.1123672</u>

¹⁵ If you aren't familiar with the term "legislative ombudsman", it's an American term to describe elected representatives who see their job as performing constituent, consensus-building or oversight functions rather than party, campaign or executive functions.

Election year	Enrolment	Divisions	Electors per division	
1901	907,658	75	12,102	
1946	4,744,017	75	63,254	
1949	4,913,654	123	39,948	
1983	9,373,580	125	74,989	
1984	9,866,266	148	66,664	
2001	12,636,631	150	84,244	
2010	14,086,869	150	93,912	
2013	14,723,385	150	98,156	
2016	15,676,659	150	104,511	

enlargement of the House was the increase in the number of people to be represented."¹⁸ As this table shows, the number of voters voting in each division has increased astronomically since Federation:

These figures only take into account enrolled voters - but a Member of Parliament is elected to represent all of their constituents, not just those who vote in elections.

17,213,433 151

2022

Currently, each MP is elected to represent a little over 170,000 people, give or take ten per cent. Before Parliament was expanded in 1984, an MP represented a little over 80,000 - a number, as Kim Beazley's quote acknowledged, was considered too high for a single MP to serve adequately. At Federation, there was one MP for every 35,000 people.

That means MPs today are trying to represent and service more than twice the people they had to in the '80s — and five times what an MP did in 1901 — even though an MP's workload of constituency and committee work has grown steadily that whole time.

Given the constitutional limitations on Parliamentary and electoral reform, I would suggest a path forward that would peg the ideal population quota for each state to the smallest (known as the *Wyoming Rule* in the US) — and would mean that Tasmania is actually entitled to the MPs they have without any constitutional changes, effectively enshrining the principle of one-vote-one-value, and would ensure that the ACT and Northern Territory have a more stable allocation of seats each cycle.

Implementing the Wyoming Rule in Australia would increase the size of the House from 151 to 223, reducing the number of voters per division from between 72,000 and 127,000 to between 72,000 and 80,000. The nexus

113,996

¹⁸ Parliament of Australia. "Number of Members" (2018) House of Representatives Practice, 7th Edition.
<<u>https://www.aph.gov.au/About_Parliament/House_of_Representatives/Powers_practice_and_procedure/Practice7/HTML/Chapter3</u>
<u>/Number_of_Members</u>>

between the House and Senate would also increase the size of the Senate from 76 to 116, reducing the half Senate election quota from 14.3% to 10.0% in the states and 33.3% to 20.0% in territories if they receive a comparable increase from two Senators to four. For those who are fans of proportional representation, implementing the Wyoming Rule would also neatly translate into multi-member electorates with a magnitude of five in most states and territories.

In practice - and also proportionally increasing the territories' Senate allocation by two each, as discussed later - this change would look like this:

	Implementing the Wyoming Rule						
	Population	Voters	MPs	# per MP	Senators	Half quota	Full quota
Total	25,422,788	17,228,900	223	77,260	116		
NSW	8,072,163	5,472,469	71	77,077	18	10.0%	5.3%
VIC	6,503,491	4,344,208	57	76,214	18	10.0%	5.3%
QLD	5,156,138	3,503,609	45	77,858	18	10.0%	5.3%
WA	2,660,026	1,773,969	23	77,129	18	10.0%	5.3%
SA	1,781,516	1,272,047	16	79,503	18	10.0%	5.3%
TAS	557,571	402,331	5	80,466	18	10.0%	5.3%
ACT	453,890	314,329	4	78,582	4	20.0%	20.0%
NT	232,605	145,938	2	72,969	4	20.0%	20.0%

The smallest reasonable increase would grow the House from 151 to 175, reducing the malapportionment range to 72,000 to 106,000, and increase the Senate from 76 to 91. This would look like this:

	Smallest possible increase						
	Population	Voters	MPs	# per MP	Senators	Half quota	Full quota
Total	25,422,788	17,228,900	175	98,451	91		
NSW	8,072,163	5,472,469	55	99,499	14	12.5%	6.7%
VIC	6,503,491	4,344,208	45	96,538	14	12.5%	6.7%
QLD	5,156,138	3,503,609	35	100,103	14	12.5%	6.7%
WA	2,660,026	1,773,969	18	98,554	14	12.5%	6.7%
SA	1,781,516	1,272,047	12	106,004	14	12.5%	6.7%
TAS	557,571	402,331	5	80,466	14	12.5%	6.7%
ACT	453,890	314,329	3	104,776	3	25.0%	25.0%
NT	232,605	145,938	2	72,969	3	25.0%	25.0%

As we approach the forty-year anniversary of the last time Parliament got more seats, it's time to seriously consider whether Australia's population growth, increased diversity, changed political context and the workload of the median politician has changed enough to do it again.

We should not shirk from growing Parliament to help reconnect MPs with their local communities.

A recent survey for *Democracy 2025*¹⁹ found that around 40% of voters support reducing the size of electorates to make them more responsive to their local community (and this rate is stable across each political party). Ironically, only 30% of MPs want smaller electorates²⁰, even if it makes it easier to get reelected.

As Kim Beazley said in that second reading speech in 1983:

[This] will provide more adequate and more realistic representation for all Australians. It will redress the ludicrous situation that has developed whereby twice the population since 1949 are governed by the same number of representatives. It will allow more time to be spent by members on representing their constituents. It will train more adequately our future Ministers. It will permit the improving committee system to become more effective in improving the legislature's oversight of the Executive. It will increase the relevance, not just the numbers, of back benchers.

[There] will always be some public opposition to increasing the number of parliamentarians. This is as inevitable as it is, in some ways, unfortunate. However, this does not constitute a valid reason for simply putting off what must eventually come.

The time is appropriate to make these changes now. ...[This] is a matter of principle, and as such, must eventually outweigh any short-term unpopularity that may attach to the legislation.

Kim Beazley, Special Minister for State²¹

Rather than try to make the case for an increase in any more detail, I invite the Committee to consider a further inquiry into the *Representation Act* and whether existing arrangements adequately serve Australia as it is now.

I would note that the previous Committee recommended the same in their inquiry into the conduct of the 2019 election.

¹⁹ Stoker, Gerry, Evans, Mark and Halupka, Max, 'Bridging the trust divide: Lessons from international experience' (2018) *Democracy 100* <<u>https://www.democracy2025.gov.au/documents/Democracy2025-report2.pdf</u>>

²⁰ Stoker, Gerry, Evans, Mark and Halupka, Max, 'How Australian federal politicians would like to reform their democracy' (2019) *Democracy 100* <u>https://apo.org.au/sites/default/files/resource-files/2019-10/apo-nid263581.pdf</u>

²¹ Commonwealth, *Parliamentary Debates*, House of Representatives, 2 November 1983, 2211 (Kim Beazley, Special Minister for State) <<u>https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22chamber%2Fhansardr%2F1983-11-02%2F0055%22</u>>

A review into the size of Parliament also provides an opportunity to recalibrate MPs' pay, electorate allowances and staff allocations to more align with contemporary public opinion. Smaller electorates, either geographically or in terms of population, will result in a reduced workload and travel expenses.

Recommendation 1: That the Joint Standing Committee on Electoral Matters conduct within the term of the 47th Parliament a further inquiry into the *Representation Act 1983* with a view to determine what an appropriate increase in the size of the House of Representatives and Senate would be considering the function of a Member of Parliament in contemporary Australian society.

If there is no appetite within the Committee to pursue more wide-ranging changes, the Committee should at least consider adding additional Senate representation for Australia's territories — two each for Northern Territory and Australian Capital Territory and one for the more populous external territories of Norfolk Island, Christmas Island and Cocos (Keeling) Islands.

Territory Senators do not count towards nexus calculations, so adding additional Territory Senators would not necessarily result in adding more allocations in the House of Representatives.

This change would go some way towards addressing the underrepresentation Territory residents have politically and balancing their overexposure to the risks borne by a change in Federal Government²².

Residents of the Australian Capital Territory are already underrepresented, with a small Legislative Assembly, no councils, and only three MPs and two Senators — ten times fewer representatives than Tasmania (with five MPs, 12 Senators, 35 MLAs, 15 MLCs and roughly 300 local councillors) despite representing the same population.

Northern Territory have proportionally First Nations peoples and marginalised and diverse communities that are underrepresented. The offshore territories are also disenfranchised, with their five thousand residents largely forgotten by mainland politicians, their votes lumped in with mainland electorates they have no connection to, and their shire councils being small and part-time.

Recommendation 2: That the *Electoral Act 1918* be amended to grant four Senators to the Australian Capital Territory and the Northern Territory, each serving a term until the next general election.

Recommendation 3: That the Joint Standing Committee on Electoral Matters conduct an inquiry into the political representation of residents of Australia's external territories, specifically on whether designated seats would be desirable.

²² Browne, Bill, 'Comes with the territory: Ensuring fair political representation for Northern Territorians — and all Australians' (2020) *The Australia Institute* <<u>https://australiainstitute.org.au/wp-content/uploads/2020/12/P935-Comes-with-the-territory-Web.pdf</u>>

Make the House of Representatives more proportional

The appeal of our existing preferential electoral system is that it tends towards majority governments while still providing a level of proportionality not present in conventional "first past the post" majoritarian systems and delivering results in a timely way. However, as the third party vote share grows, those results are becoming less timely with more divisions being "too close to call" on polling day, while those majoritarian results become increasingly disproportional to the will of the electorate at large.

Essentially — the balance between a fast decisive result and closeness to voters' intention is increasingly out of step with each passing election.

The Gallagher "least squares" index that measures disproportionality between a party's vote share and seat share reached its highest point ever in Australia in 2022. A perfectly proportional system scores one (something either achieved with a very high magnitude of representatives per electorate — or by only having two parties contesting), while a very disproportionate system scores more than ten. Historically, Australia has hovered around eleven, but the 2022 result delivered a score of nearly seventeen.

The growing third party vote overall, and emergence of competitive third parties in localised areas (like the Australian Greens in inner city areas and the Shooters, Farmers and Fishers in rural farming regions), has contributed to this growth and the growth of "three candidate preferred" seats, discussed later.

One potential solution to this problem is moving the election of MPs to a more proportional system by increasing the magnitude of representatives in each division from one to three, five or seven.

As previously discussed, electorates are already too big, both geographically and in population, for MPs to effectively represent their residents — especially for regional seats like Kennedy. As such any move towards increasing magnitude needs to be combined with an increase in overall representation. This does not need to be a one-for-one increase as there will be efficiencies gained by having a diversity of representatives representing and servicing an area.

A 2011 paper analysed 609 elections in 81 countries between 1945 and 2006 and found that "*electoral systems that use low-magnitude multimember districts produce disproportionality indices almost on par with those of pure PR systems while limiting party system fragmentation and producing simpler government coalitions*"²³. This paper also identified an "electoral sweet spot" that optimises for the nexus between proportionality or voters' intention and accountability or proximity that has come up repeatedly throughout this submission. The paper found that

²³ Carey, John and Hix, Simon. "The Electoral Sweet Spot: Low-Magnitude Proportional Electoral Systems" (2011) 55(2) *American Journal of Political Science* 383 < <u>https://onlinelibrary.wiley.com/doi/full/10.1111/j.1540-5907.2010.00495.x</u>>

magnitudes of three to seven (optimally five) strikes the closest balance between maximising proportionality and the number of "effective parties" while minimising the number of parties in a governing coalition and the geographic and population distance between a voter and their representative.

With that in mind, I invite the Committee to consider whether we should improve proportionality in the election of our MPs by increasing the magnitude of a division from one to five, combined with the ~50% increase in total representation argued for earlier.

The Constitution's "direct election" rule might rule out more indirect systems used to increase proportionality without losing the local connection that having a small single member electorate brings, like New Zealand's overhang seats and the German state, Baden-Württemberg's Zweitmandat.

But there are still several systems that could be implemented to elect those MPs in larger magnitude divisions directly. The open list system used in the Netherlands would be an interesting option to investigate, however ultimately we have a system in place in Australia that every voter is familiar with: the single transferable vote used in Senate elections.

Our Senate voting system still has a glaring flaw in that it creates true "safe seats" for those selected by their party to the "top spot" on the ballot where that party consistently secures two quotas (specifically the Liberal and Labor parties). Thankfully, two of our subnational jurisdictions, Tasmania and the Australian Capital Territory, have addressed this and the benefit of "donkey voting" by introducing the "Robson Rotation". Implementing such a rotation in the Senate and a future more-proportional House of Representatives election would ensure each candidate as well as each party would need to be competitive to be elected. Ideally, this rotation should be "horizontal" (to reduce the impact of party order on the ballot on the result) and "vertical" (to ensure each candidate for any given political party has personal appeal).

These issues and many more would need to be teased out before committing to such a significant change in our political system so, as before, I suggest a further dedicated inquiry be conducted into the question of increasing proportionality.

Recommendation 4: That the Joint Standing Committee on Electoral Matters conduct a further inquiry into increasing proportionality in the House of Representatives, including the implications of conducting their elections using the Hare-Clark single transferable vote with the Robson rotation in multi-member divisions.

Extend the franchise to permanent residents

For a vast swathe of our population, our democracy is indistinguishable from autocracy, being denied the right to have a say over who governs them no matter how long they are here or how much they contribute.

This is part of the "democratic boundary problem"²⁴ that has troubled democracy scholars for the last decade, in the face of declining trust and the legitimacy crisis. The boundary problem looks less at who's included and what they do, but rather on who isn't. This focus on alienation, both formally from the franchise and in practice from power, explores how someone can be subject to politics while being disconnected from that which legitimises it.

About 8% of Australia's population²⁵ — roughly 1.7 million people — are permanent residents or New Zealand citizens with residency rights. Another 7% are temporary migrants, many living and working here for years.

With the path to permanency harder to access²⁶ and nearly 30% of permanent residents never naturalising (and the naturalisation rate still dropping)²⁷, that is four million Australians who will live here for years, put down roots, and never get the right to vote.

The simplest solution to this is also the most democratic: once a migrant has resided in Australia for twelve months and intends to remain here, they should be entitled to a vote.

As Professor Joo-Cheong Tham put it "once migrants have resided continuously for twelve months in this country and intend to continue living here, they should be considered members of this country and entitled to a say in its political processes"²⁸.

Such a change is not unprecedented. In the original Federation-era debates over franchise, some argued that that the only thing that should make you eligible to vote is being an adult resident in the Commonwealth for more than six months — at least if you were white²⁹. Even now, across Victoria, Tasmania and South Australia, anyone who owns (and in some cases merely occupies) a "rateable property" is eligible to vote in local government elections.

²⁴ Miller, David, 'Reconceiving the Democratic Boundary Problem' (2020) 15(11) *Philosophy Compass* 1 <<u>https://onlinelibrary.wiley.com/doi/10.1111/phc3.12707</u>>

²⁵ Australian Bureau of Statistics, *Census* (2021)

²⁶ Coates, Brendan, Sherrell, Henry and Mackey Will, 'Rethinking permanent skilled migration after the pandemic' (2021) *The Grattan Institute* <<u>https://grattan.edu.au/wp-content/uploads/2021/05/Rethinking-permanent-skilled-migration-Grattan-Report.pdf</u>>

²⁷ Smith, David, Wykes, Janice, Jayarajah, Sanuki and Fabijanic, Taya, 'Citizenship in Australia' 2010) *Department of Immigration and Citizenship* <<u>https://www.homeaffairs.gov.au/research-and-stats/files/citizenship-in-australia-2011.pdf</u>> and Shergold, Peter, et al 'Off the scale but out of sight: The rise and rise of temporary migration' (2018) *Scanlon Institute* <<u>https://scanloninstitute.org.au/sites/default/files/2020-01/Dec2018</u> Scanlon-Institute Narrative-2.pdf>

²⁸ Tham, Joo-Cheong, 'Australia's Democratic Deficit', *Inside Story* (2 October 2018) <<u>https://insidestory.org.au/australias-growing-democracy-gap/</u>>

²⁹ Norberry, Jennifer and Williams, George, 'Voters and the Franchise: the Federal Story' (2002) *Parliamentary Library Research Papers* No.17 2001-02

https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp0102/02RP17

New Zealand has granted any permanent resident who has lived there for more than twelve months the right to vote since 1975 (including many Australians — a right we do not reciprocate).

New Zealand's experience has found that, while enrolment and turnout rates are lower among enfranchised permanent residents than citizens, the mere right resulted in "*greater participation of resident voting in local elections if they have the right to vote in national elections, and that participation of residents in the electoral process increases as their length of residency increases, suggesting a trend towards greater engagement over time*"³⁰.

The argument against this is that citizenship is important, and the right to vote is a key pillar of citizenship. Citizenship is, by this logic, a trade-off: an intentional act of allegiance in exchange for protection against deportation and inclusion in the body politic. While citizenship formally entitles someone to more protections, the difference in practice is minimal³¹.

Let us consider the contrary briefly. Australian citizens are eligible to vote in elections for up to six years after they leave Australia, provided they intend to return (although in practice that is difficult to enforce). Citizenship does not grant an unqualified right to vote though — unlike places like Italy and France with whole overseas electorates, elected by people who maybe never even visited the "home country".

Enfranchising residents would also, as a function of the joined-up roll, allow them to vote in state and local elections provided state government's amend their own electoral acts, solving the problem of inconsistency across the country, as well as voting in referenda.

With one, simple change to the *Electoral Act 1918*, we can enfranchise more than three million Australians and give them a proper say over who governs them.

Recommendation 5: That New Zealand citizens resident in Australia be immediately granted full voting rights in all Australian elections.

Recommendation 6: That the Joint Standing Committee on Electoral Matters conduct a further inquiry into expanding the franchise for Commonwealth elections to all permanent migrants and temporary migrants with an intention to be resident in Australia for an extended period.

³⁰ Reilly, Alexander and Torresi, Tiziana, 'Voting rights of permanent residents' (2016) *UNSW Law Journal* 39(1) 401-420 <<u>https://www.unswlawjournal.unsw.edu.au/wp-content/uploads/2017/09/39-1-2.pdf</u>>

³¹ Reilly, Alexander and Torresi, Tiziana, 'Voting rights of permanent residents' (2016) *UNSW Law Journal* 39(1) 401-420 <<u>https://www.unswlawjournal.unsw.edu.au/wp-content/uploads/2017/09/39-1-2.pdf</u>>

Introduce wide-ranging campaign finance reforms

Australia is in desperate need of broad campaign finance reform to reduce the impact of wealth on elections and to harmonise complex and contradictory state and federal regulations.

The emergence of independent "super PAC" style donation aggregators like Climate 200, the previously-unheard-of \$100+ million spends by Clive Palmer at the last two general elections or the ever more contrived fundraising vehicles used by all parties to circumvent regulation has changed Australia's political landscape and elevated the need to stop the loopholes arms race.

To quote the Democratic Audit of Australia's 2019 submission to this committee:

Presently, candidates and political parties are free to spend as much as they want on election campaigning. This unregulated context is both to the detriment of political equality and the perceived integrity of the electoral process. It leads to an arms race in pursuit of political donations and relentless negative advertising, with both of these contributing to the loss of trust in political parties and electoral politics. A majority of voters now believe that government is run primarily for the benefit of 'a few big interests' and the latest Perceptions of Electoral Integrity survey places Australia 26th out of 33 OECD countries on the campaign finance aspect of electoral integrity.³²

It's critical that we see wide-ranging reforms that tackle every aspect of campaign finance.

Professor Joo-Cheong Tham outlined the four interconnected (and sometimes in tension) purposes of a campaign finance system³³:

- protecting the integrity of representative government: which relates to the moral qualities of government
 officials of acting with honesty, probity, and avoiding conflicts of interest, as well as processes that promote
 these qualities;
- 2. promoting fairness in politics: which turns on equality of treatment by the decision-maker of all parties who ought to be heard in decision-making processes;
- 3. supporting parties in performing their functions: which involves providing adequate financial support to political parties to enhance their function of democratic representation; and
- 4. respecting political freedoms: that is the individual freedom to donate to political parties as part of political participation

³² Democratic Audit of Australia's submission to the Committee's inquiry into the conduct of the 2019 election <<u>https://www.aph.gov.au/DocumentStore.ashx?id=77d75ab7-92e3-406e-923a-244d5aa3aec9&subId=670209</u>>

³³ Tham, Joo-Cheong, Money and Politics: A Democracy We Can't Afford (2010) UNSW Press, 20.

Dr Yee-Fui Ng later outlined the six elements that regulatory regimes across Australia tend to include (and that I believe an effective campaign finance regime must include)³⁴: (1) disclosure requirements, (2) supply restrictions, (3) demand restrictions, (4) indexation, (5) public funding, and (6) enforcement.

Any effective reform needs to tackle each of these purposes and elements, root and branch - and at minimum institute tighter donation and expenditure caps, lower the threshold for donation disclosures and make disclosures searchable in real-time through an accessible database³⁵.

Any reasonable campaign finance structure is a system that is agnostic towards independents, parties or third party campaigners. Restrictions and administrative burdens should be applied to all political actors equally if their intention is to influence electoral outcomes, whether they are political parties, independent candidates, unaligned campaigns, unions, companies or industry groups.

While it's acknowledged that any burden will be felt by smaller organisations more than larger ones, the overriding objective should be to create a regime that minimises that administrative burden, not one that shifts that burden unequally onto specific organisations. Investment in information management systems and providing a single point-of-service for disclosure across Commonwealth, state and territory regimes will not only create a more transparent disclosure regime, but reduce the overall administrative burden of managing multiple contradictory compliance systems.

Likewise each actor, whether a candidate or third party campaign, should be subject to its own donation and expenditure caps. An oversight body must be empowered to determine if a third party campaign or collection of independent candidates are effectively controlled by another campaign, but otherwise those campaigns should be entitled to act on their own volition.

The Commonwealth should introduce generous but candidate-specific expenditure caps comparable to states and territories that have adopted similar. I suggest a figure around \$3.50 per voter per division or \$250,000 per candidate, whichever is lower. All dollar amounts, be it caps or rates, should be adjusted annually against the consumer price index.

Donations should only be made by real people - and all efforts should be made to determine a constitutional path to achieving this goal. Any organisational donation should be seen as an aggregation, whether that is of its directors

³⁴ Ng, Yee-Fui, 'Regulating money in democracy: Australia's political finance laws across the Federation' (2021) *Electoral Regulation Research Network Reports* https://law.unimelb.edu.au/ data/assets/pdf file/0010/3589390/Political-Finance-Laws-Commissioned-Report-ERRN-Final-with-A

<u>bstract.pdf</u>>

³⁵ For example, the Electoral Commission of Queensland operates a very user-friendly disclosures website at <u>https://disclosures.ecq.qld.gov.au/Map</u>

for a company or its members for a union or member based organisation. Information on who has donated what to who (or on their behalf) should be clear and accessible.

As such the disclosure threshold should be reduced to \$200 per month per person and the individual aggregate donation cap reduced to \$2,400 per year per candidate or \$4,800 per party in aggregate. Parties should not be able to aggregate and pool these caps centrally, giving them an unfair advantage in target or swing seats at the expense of independent candidates or campaigns in safe or unwinnable seats. For statewide campaigning, parties will have to make do with Senate candidate caps. This aligns with my position further on public funding rates.

Disclosures should be made immediately upon receipt and uploaded to a searchable online database. The Commonwealth should ensure they have systems in place to link with parties' and candidates' existing payment processing systems so these disclosures can be lodged automatically at point of processing. These immediate disclosures should be marked as "in progress" until both the party and the electoral commission authorise and audit the donation, to ensure donations that breach either the party's rules or the broader campaign finance regime are not erroneously credited and that malicious donations (such as to purposely generate negative media for the party or candidate) are able to be detected. More on potential disclosure administration later.

In the event of accidentally exceeding the donation cap, for example by donating the maximum of \$1,000 in a year and a donation aggregator like your union donates a further \$400 on your behalf, then your next years' total reduces alongside a warning. Only intentional and repeated breaches should be subject to enforcement actions.

A simple system is the easiest to comply with but I would like to discuss a few oft-overlooked issues that impact party administrators that might be invisible to other integrity campaigners.

It is critical that restrictions only apply "for electoral purposes". This is an important distinction too. Many people, especially party members, donate to parties for non-electoral purposes — anything from running an event or buying a BBQ or a marquee to funding IT systems projects. While this investment might have secondary electoral benefits, a campaign finance regime should not limit a party's capacity building.

In-kind gifts, including the provision of professional services or office accommodation, may need to be captured at market rate in any disclosure, however these should be carefully devised in a way that does not capture volunteer labour, like time spent door-knocking, phone-banking or organising.

Disclosing events revenue will get complicated. A broad stroke should capture major fundraisers, cash-for-access meetings, tables at dinners or forums and ensure that these contribute to caps and each individual person's contribution is disclosed, but be careful to avoid smaller events like community BBQs or trivia nights. A distinction may be drawn between events of an explicitly electoral or fundraising character and events of a party-building or community character, or the threshold might be a ratio between attendees and revenue.

Membership fees to a political party should be excluded from any cap or disclosure regime up to a (low) threshold, around \$200 a year. As the Centre for Public Integrity notes, "*exemptions for membership encourages political parties and organisations to raise basic organisational revenue through broad participation of individuals ... [and] setting a limit ... avoids corporations' undue influence through [large lump sum] 'membership' to a party's business networks or advocacy peak bodies and would put the national scheme in line with [NSW's regime].*"³⁶

To help address the burden on smaller parties and independent candidates, the Centre for Public Integrity suggested a fund be established to provide loans ahead of elections. Such a fund could see monies up to a capped amount loaned to registered parties or independent candidates ahead of elections (subject to appropriate security), with the loan dischargeable by the provision of evidence proving electoral expenditure to the relevant value³⁷. I discuss a similar, complementary fund further to assist small parties start up and support their governance over their first few years post-registration.

Recommendation 7: That a stronger political campaign finance framework be introduced as soon as practicable that balances fairness in the conduct of elections, the need for greater and timelier transparency and reduced administrative burdens on political parties and campaigns, and which includes the following features:

- a. Restricts political donations for electoral purposes to individuals or authorised aggregators.
- b. Caps political donations, both per year per candidate and per party in aggregate
- c. Ensures donations accumulate for the purpose of this cap both for donations made directly by an individual and those made on their behalf by an aggregator.
- d. Bans donations made by non-individuals except where an organisation is acting as an aggregator on behalf of their membership or directors.
- e. Caps aggregate expenditure at either per voter per division or at a fixed amount per candidate, whichever is lower.
- f. Adjusts all dollar amounts, be it caps or rates, annually against the consumer price index.
- g. Reduces the disclosure threshold for all donations, whether monetary or in-kind, to a fraction of the individual donation cap.
- h. Requires all disclosures by aggregators be accounted for against each individual that aggregator is donating on behalf of.

<<u>https://publicintegrity.org.au/wp-content/uploads/2022/05/Briefing-note-How-to-level-the-playing-field.pdf</u>>

³⁶ 'Eliminating the Undue Influence of Money in Politics' (2019) *The Centre for Public Integrity Briefing Papers* <<u>https://publicintegrity.org.au/research_papers/eliminating-the-undue-influence-of-money-in-politics/</u>></u>

³⁷ 'How to level the playing field: Electoral expenditure caps, limiting the incumbency benefit and supporting new candidates' (2022) *The Centre for Public Integrity Briefing Papers*

A corollary to the questions on donation and expenditure caps is about the inequity of other publicly-funded resources available to incumbents and established political parties over insurgent or emerging campaigns — the provision of public election funding and the partisan allocation of staffing resources to Members of Parliament and Senators.

In 2015, the ACT chose to increase their public election funding to \$8 per vote, up from \$1 per vote in 2008³⁸. This new rate would then increase every six months by the consumer price index.

At the same time, they removed the existing \$10,000 cap on donations. While widely and justly condemned at the time, in practice the removal of the cap did not change parties fundraising strategies nearly as much as the increase in public funding.

Later, in 2020, ACT adopted an expenditure cap of \$42,750 per candidate, applied equally to parties, associated entities and third party campaigners, a testament to the change in political culture the increase had in just five years.

The ACT's approach, while complicated, encourages compliance by political parties rather than trying to find new exploits or loopholes.

A higher public funding rate is essentially a trade-off to secure changes elsewhere, a higher public election reimbursement rate is an attractive trade for lower expenditure caps, and a higher public election discretionary funding rate would offset the increased administrative load on parties.

Most jurisdictions have moved from lump sum returns (where parties would receive a full sum of their election funding to use at their discretion) to a reimbursement based model (where parties would only receive funding for expenditure they can prove is related to a campaign). The reimbursement approach is harder to rort — with allegations of candidates and party administrators personally profiting off elections rather than reinvesting them in campaigns — but it also results in less investment by parties in sustainable internal governance.

Therefore a mix of both lump sum and reimbursement payments is important to ensuring elections are conducted fairly, on equal footing and with a view to improving political discourse, integrity and democratic engagement long-term.

However, per vote funding is not the only public payments to political parties after an election.

Parties in some jurisdictions also receive administrative funding to help them pay for the costs of complying with electoral laws, improving party governance and building party capacity. Many receive ad hoc grants to address

³⁸ 'Plan to Scrap ACT's Political Donation Cap Likely to Go Ahead', *ABC News* (online, 16 February 2015)
<<u>https://www.abc.net.au/news/2015-02-17/plan-to-scrap-political-donation-cap-defended-by-act-government/6121106</u>>

short-term compliance problems (like 2018's cybersecurity grants³⁹). Some provide policy development funding, either as an alternative to administrative funding for smaller extra-parliamentary parties or to parties to undertake research.

There's an even more opaque layer of political funding: grants that go to associated entities. The Department of Finance manages the "Grants in Aid" program, that funds think-tanks affiliated to each of the four biggest political parties⁴⁰. They also administer Australian Political Exchange Council grants to fund "future political leaders" to go on international junkets⁴¹ and the Australian Political Parties for Democracy Program that ostensibly gets invested in building democratic institutions and political parties internationally⁴², but seems to somehow end up funding student politicians to go campaign in foreign elections⁴³.

These more discretionary grants are where the core of the inequity of the public funding system comes into play. All these schemes are poorly understood, poorly publicised, only open to the biggest political parties, and often at the discretion of Ministers.

The public funding system should be consolidated, simplified and reevaluated in a contemporary social context at the same time as any other changes to campaign finance are made.

A modest increase in the reimbursement rate from \$2.91 per vote to \$5.50 per vote for example would mean a party that receives just under 20% of the vote in a seat would be eligible for the maximum reimbursement — and converting all existing supplemental payments into a single lump-sum payment each term at \$0.40 per vote with a floor that regardless of your vote share, a registered party receives \$4,500 per term would ensure that smaller, emerging political parties would have a secure and predictable income floor to build party administration and good governance from.

Retaining but opening up a discretionary research allowance by permitting any registered party to direct funds to an affiliated research organisation at \$0.10 per vote would also help improve political discourse.

³⁹ Hendry, Justin, 'Political Parties to Get Cyber Subsidy for Electoral Databases', *iTnews* (online, 10 July 2018) <<u>https://www.itnews.com.au/news/political-parties-to-get-cyber-subsidy-for-electoral-databases-497443</u>>

⁴⁰ Department of Finance, *Grants Awarded by the Department of Finance – 1 July 2015 to 30 December 2017* (2020) <<u>https://www.finance.gov.au/sites/default/files/2020-02/Grants-Awarded-by-the-Department-of-Finance.pdf</u>>

⁴¹ Australian Political Exchange Council <<u>https://www.polexchange.org.au/</u>>

⁴² McIlroy, Tom, 'Taxpayers Hand \$2.2m to Major Parties for Overseas Networking and Cooperation Activities', *Australian Financial Review* (14 June 2018)

<<u>https://www.afr.com/politics/taxpayers-hand-22m-to-major-parties-for-overseas-networking-and-cooperation-activities-20180614-h11d</u> <u>le</u>>

⁴³ Sawer, Marian, 'Democratic by Name, Secretive by Nature', *Inside Story* (29 February 2016)
<<u>https://insidestory.org.au/democratic-by-name-secretive-by-nature/</u>>

All up, this example rounds conveniently to public funding equivalent to \$6.00 per vote — the same as Queensland adopted in 2021⁴⁴ but still short of the Australian Capital Territory's generous \$8.00⁴⁵.

This should, theoretically, reduce the need for political parties to chase big donations and avoid large-scale rorting, while still equipping parties (especially smaller ones) with enough money to comply with administration requirements, hire staff, secure office accommodation and conduct internal capacity building.

Recommendation 8: That the reimbursable public election funding be increased to a rate comparable to those in Queensland or the Australian Capital Territory.

Recommendation 9: That lump-sum and discretionary public election funding be consolidated into a smaller per-vote rate with an appropriate floor for smaller political parties.

The outstanding question that proponents of campaign finance reform avoid grappling with is how this is to be administered by the parties they seek to regulate. Any new restriction on donations, expenditure or disclosure creates new, complicated and time-consuming administration for campaigns, unequipped and inexperienced with dealing with it.

Any practical campaign finance reform would need to reduce — not increase — the already-high administrative burden on campaigns to account for donations and expenditure.

Differences between federal, state and local election rules means most parties are operating five or more accounts with wildly varying disclosure, retention and audit rules. These processes are often managed by volunteers, using incomplete or imperfect data.

Short of full public funding of elections, any stronger campaign finance rules need to be offset by reduced bureaucracy, greater public funding and not hinder a party's capacity to conduct non-electoral work (things like community BBQs, trivia nights, policy workshops, party conferences, etc).

There is also the problem of how this applies to third-party campaigns — especially for democratic institutions like unions.

One solution that might solve the capping, disclosure and administration problems is to remove the management of donations from parties altogether.

⁴⁴ 'Factsheet 22: Commencement of New Provisions in 2022' (2021) *Electoral Commission of Queensland*

<<u>https://www.ecq.qld.gov.au/______data/assets/pdf__file/0027/12798/Fact-sheet-22-Commencement-of-legislative-changes-in-2022-2021-up______date.pdf</u>>

⁴⁵ 'Plan to Scrap ACT's Political Donation Cap Likely to Go Ahead', ABC News (online, 16 February 2015) <<u>https://www.abc.net.au/news/2015-02-17/plan-to-scrap-political-donation-cap-defended-by-act-government/6121106</u>>

Speaking at the Whitlam Institute, Bret Walker suggested⁴⁶:

A practical way of achieving this modest reform would be to forbid any political donations except through the Electoral Commission as intermediary. The statutory duty of those public servants should be to satisfy themselves that they have been credibly informed of the identity or identities of the individuals responsible for the making of political donations. No doubt there can and should be an annual threshold for disclosure, which might be set, say, at around current average weekly earnings.

My view is that the Electoral Commission — whose remit already inappropriately extended into party regulation with the introduction of party name regulations in 2021 — is not the appropriate body to manage such a change. This additional function would distract from their core function of conducting elections.

A new regulatory agency should be set up to oversee campaign finance (and, as I discuss later, further changes to party regulation). This would also entail consolidating the management of electoral returns and the payment of election funding away from the Electoral Commission to the new agency.

A spur of this agency could administer all donations and act as a clearing house. As an example, a potential workflow for such an agency might be:

- 1. All political donations are paid either directly to the agency through their website or via an API into a holding fund. These donations are then processed, audited and disclosed live.
- 2. Fundraising events, like under the current arrangements, disclosed in aggregate, with small aggregates (for example from a branch annual trivia night) could be directly deposited with post-fact disclosure.
- 3. Being a centralised database, historical disclosures could be hidden or made public as thresholds in regulation change over time.
- 4. Parties, individuals and campaigns registered with the agency would receive the donations referred to them at the start of each month. The agency would be empowered to withhold donations for individual investigations, or a whole tranche for improper party behaviour.

State electoral commissions can opt into this program — reducing compliance issues where parties need to operate multiple accounts to comply with each state's disclosure and accounting rules.

⁴⁶ Walker, Bret, 'The Information That Democracy Needs', *Oration at the Whitlam Institute* (7 June 2018) <<u>https://www.whitlam.org/publications/the-information-that-democracy-needs</u>>

The tradeoff for parties and third-party campaigns is increasing the reimbursement public funding rate and a massively reduced administrative burden for the processing and allocation of campaign finance.

There are problems with such an approach. Parties like to tightly control everything to do with their campaign and like to get paid quickly. It would also be costly and slow, by the nature of the considered approach the public service has compared to the more rough and tumble world of party self-regulation. It might also encourage more underground, illegal gifts. It might deter donors who don't want the party they support to be public knowledge.

Recommendation 10: That the Joint Standing Committee on Electoral Matters conduct a further inquiry into establishing a public clearing house for political donations.

Rethink party regulation in a more holistic way

Parties in Australia are in a privileged position of getting special placement on ballots, access to extra funding and better pay for their elected politicians. But parties have been largely left to self-regulate, seen as voluntary associations more than critical functions in our democracy.

Australia's approach to party regulation has historically been a bit haphazard, mostly bringing in new regulations in reaction to a public scandal. The approach has mostly been to tack new functions onto the Australian Electoral Commission, or expect each party to self-regulate in accordance with whatever the new rules are⁴⁷.

There are two simple changes to the way we regulate parties that do not require more than a small legislative amendment.

The first is removing the exemption from party registration for Parliamentary parties — that is, political parties which have at least one member who is also a Senator or a Member of the House of Representatives. The current system means that sitting politicians with no provable support base, having split from parties that got them elected in the first place, are put in a privileged position over other independents and minor parties. The removal of the exemption puts every party on an equal footing, having to prove they meet a minimum standard to be registered. The second is to require political parties, as a condition to be eligible for public election funding, publish annual reports on the Australian Electoral Commission's website with disclosures on operational budgets, receipt of grants, affiliations to other organisations, membership figures and fees, internal election results and changes to

⁴⁷ Rather than go through the odd and extensive history of party regulation in Australia, conveniently the definitive text on the topic is available free: Gauja, Anika and Sawer, Marian *Party Rules?: Dilemmas of Political Party Regulation in Australia* (2016) ANU Press <<u>https://press-files.anu.edu.au/downloads/press/n2109/pdf/book.pdf</u>>

governance structures. This would go some way to opening up the arcane and opaque world of party self-regulation.

Recommendation 11: That the *Electoral Act 1918* be amended to remove the privileged position Parliamentary parties have for the purpose of registration as a political party.

Recommendation 12: That registered political parties be required to publicly publish annual reports that disclose, at a minimum, current officeholders and senior staff, current membership figures, a schedule of membership fees and privileges and the results of internal elections.

While these small legislative amendments will go some way to improving transparency, Australia needs a more fulsome rethink of how we regulate political parties.

As an international benchmark⁴⁸, the most robust law on the internal regulation of political parties is the German *Parteiengesetz*⁴⁹, which goes so far as to require parties to present a written policy programme, establish regional branches across the country and a high standard of internal democracy: the supreme decision-making body of the party must be a members' assembly, party executives and candidates must be democratically elected, and all members have equal voting rights. German parties are seen as more than free associations of like-minded citizens contesting elections in a free market of democracy.

The law sees the function of the party as "bringing their influence to bear on the shaping of public opinion; inspiring and furthering political education; ... promoting an active participation by individual citizens in political life; training talented people to assume public responsibilities;... [and] ensuring continuous, vital links between the people and the public authorities". Total and provable compliance with these laws are preconditions for contesting elections, receiving public election funding or receiving any of the regulatory or tax privileges being a party brings. Unusually, the German law is enforced by the Office of the Speaker of the Bundestag, Germany's Parliament, rather than by any independent regulatory authority.

Even New Zealand decided to introduce a minimum standard for internal party democracy and require candidates be selected either by a vote of party members or through delegates to a party convention⁵⁰, following the 1986

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⁴⁸ Orr, Graeme, 'Private association and public brand: The dualistic conception of political parties in the common law world' *Electoral Regulation Research Network Working Papers* (No. 18, November 2013)
https://law.unimelb.edu.au/data/assets/pdf file/0005/1556015/WP 18 Orr3.pdf>

⁴⁹ Parteiengesetz [Political Parties Act] (Germany) <<u>https://germanlawarchive.iuscomp.org/?p=235</u>>

⁵⁰ Gauja, Anika, *Political Parties and Elections: Legislating for Representative Democracy*, Routledge & CRC Press <<u>https://www.routledge.com/Political-Parties-and-Elections-Legislating-for-Representative-Democracy/Gauja/p/book/9781138271166</u>

Royal Commission into the Electoral System⁵¹ that led to the adoption of the mixed-member proportional system. The regulations ensure a minimum standard while providing a broad scope within it, allowing parties to "*organise selection processes as they wish, acknowledging the political reality that selection decision often need to be made quickly by a centralised body, and may often override majoritarian tendencies within the party to install candidates from minority backgrounds*".

Introducing a minimum standard of internal democracy is one of the most important possible reforms to our electoral democracy. It builds public trust in our political institutions. Surveys of Australian voters suggest that parties' internal democracy (or lack thereof) is one of the big drivers of growing distrust in Australia's democracy at large⁵².

These minimum standards should include the Australian Electoral Commission conducting major internal elections, specifically preselection of candidates and the election of party executives. Merely releasing the final results of these preselections and internal election are insufficient for an outsider to judge the conduct of those internal elections. These reports must also include the public and proactive publishing of eligibility criteria for candidacy and what actions the party and its organs did to promote and recruit potential candidates, eligibility criteria for the electors and selectors within the party and how that roll differs from the larger membership roll, what the returning officer did to promote turnout and formality, whether there were any complaints or disputes and how they were resolved and comprehensive turnout analysis including how that compares to the demographics of the broader membership roll.

Recommendation 13: That the Joint Standing Committee on Electoral Matters conduct a further inquiry into improving the governance of and strengthening the regulation of political parties.

Once again, the question comes down to who administers this regulation.

As raised earlier in this submission, scope creep for electoral commissions into party regulation compromises their need to be independent, neutral, impartial and focused on delivering elections.

Party and campaign regulation, with the messiness that comes with it, is often outside their expertise. However parties are self-evidently incapable of self-regulating in a way that serves democracy in the whole - and leaving regulation to the Office of the Speaker or the Clerk, as is the practice in some other jurisdictions, privileges

<http://www.governanceinstitute.edu.au/magma/media/upload/publication/408_Democracy100-report-IGPA.pdf>

⁵¹ 'Towards a Better Democracy' *The Royal Commission into the Electoral System* (Final Report, December 1986) <<u>https://elections.nz/democracy-in-nz/what-is-new-zealands-system-of-government/report-of-the-royal-commission-on-the-electoral-system/</u>>

⁵² Stoker, Gerry, Evans, Mark and Halupka, Max, 'How Australians imagine their democracy: The "power of us" — Australian Survey of Political Engagement findings' (2017) *Democracy 100*

Parliamentary parties over those without current representation, and opens up the possibility of partisan manipulation of the party regulation process. In short, the current options for party regulation - electoral commissions, Parliament and its officers or the party themselves - are all unable by their design to adequately regulate and interrogate intraparty governance.

One possible approach would be to set up a new regulatory authority: a commission on democratic participation. This new agency could coordinate everything from existing electoral commission functions like party registration, disclosure of donations, paying public election funding and paying additional grants, to more substantial regulations like publishing parties' annual reports, resolving inter- and intra-party disputes enforcing a minimum standard of internal democracy and transparency, enforcing campaign codes of conduct and running election debates.

A commission on democratic participation could investigate more radical solutions to the participation crisis, a priority of this government. In the post-war period, there was a strong chance you were a member of a trade union, progress society or fraternal society, a regular at church and the RSL — and probably a member of a political party. These political institutions, with their structured membership and activities, created a stable, social base for political movements, as well as creating spaces for political dynamism and spontaneous activism. Today, rates of membership in political institutions, from parties, unions and student and environment movements to even tradition-reinforcing movements like Scouts, Freemasons, churches and historical societies, have dropped to the point of being barely socially relevant.

The current national party membership is estimated at 45,000 for the Liberals, 54,000 for Labor, 14,000 for the Greens and 100,000 for the Nationals⁵³. This might seem like a lot, but comparing that to each parties' votes, that's about one member for every 100 of their voters — except for the Nationals, where shockingly one in every seven National voters is a member. So with the exception of the Nationals, parties aren't even particularly representative of their own supporters, let alone the population at large.

The picture's just as grim when that's compared to the total population: less than 1% of Australia's population are members of political parties. Doing only a little better, only 6% of Australians (or 14% of employees) are trade union members⁵⁴. Compare that to less formal democratic participation rates, where in the last three years, 4% have

⁵³ Van Haute, Emilie, *et al*, 'MAPP – Party Membership Figures in 32 Countries 1945-2014', (2015) *MAPP Project Data Archive* <<u>www.projectmapp.eu</u>> quoted in.Humphrys, Elizabeth, Copland, Simon and Mansillo, Luke, "Anti-politics in Australia: Hypotheses, evidence and trends' (2020) 86(1) *Journal of Australian Political Economy* 122 <<u>https://www.ppesydney.net/content/uploads/2021/01/9_Humphrys-Copland-and-Mansillo.pdf</u>>

⁵⁴ Australian Bureau of Statistics, *Trade Union Membership* (11 December 2020)
https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/trade-union-membership/latest-release>

taken part in a political campaign, 6% have been to a political rally or march, and 7% have been to a political meeting⁵⁵.

This is important because it has become fashionable to be anti-party today, even among political activists. Political elites have become enamoured with "independents" and "deliberative democracy" to circumvent the distasteful messiness of the agonistic politics parties embody — and surveys on trust in politics find that the strong "anti-politics" "populist" streak in the Australian electorate is really anti-political party (or perhaps more accurately anti-politician)⁵⁶.

Advocates of deliberative democracy especially like to talk about how things like citizen's juries would close that trust gap — but the arguments for broadening their scope beyond elaborate "consultation" mechanisms on a local policy issue, as Tom Daly argues, result in these deliberative democracy organs "*simply being used as "bypass institutions*" to avoid the difficult and overdue work of reforming existing underperforming political structures such as parliament by creating a new body to replicate what, ideally, parliament should do."⁵⁷

Independents in Parliament spruik their ideological flexibility and willingness to compromise — values many Australians don't actually value in their politics.⁵⁸

Generalist campaign outfits like GetUp are sometimes spruiked as a replacement to traditional parties, appealing to "people's changed preferences to participate in politics on the basis of issues and on an ad hoc basis"⁵⁹. On their face, a benign realignment of politics as younger, time-poor and tech-rich people frustrated with intransigence on the climate and housing crises move to a more bespoke activism that suits their lifestyle.

There are however deeper political problems with campaign outfits taking over from legacy political institutions. They still often lack strong internal democracy or pathways for institutional capacity-building for engaged activists outside of their employed organisers or designated leaders. Despite the huff of conservative commentators, these

⁵⁵ Evans, Mark and Stoker, Gerry, 'Political Participation in Australia: Contingency in the Behaviour and Attitudes of Citizens' (2016) 51(2) Australian Journal of Political Science 272 < <u>https://doi.org/10.1080/10361146.2015.1123672</u>>

⁵⁶ Stocker, Gerry, Evans, Mark and Halupka, Max, 'Who do you trust to run the country?: Democracy, trust and politics in Australia' (2018) *Democracy 100*

<http://www.governanceinstitute.edu.au/magma/media/upload/media/943 Who-do-you-trust-to-run-the-country.pdf>

⁵⁷ Daly, Tom, 'Electoral Democracy in Australia: Crisis, Resilience and Renewal' *Electoral Regulation Research Network Working Papers* (No. 63, October 2019) <<u>https://law.unimelb.edu.au/ data/assets/pdf_file/0003/3185337/WP63_Daly.pdf</u>>

⁵⁸ Evans, Mark and Gerry Stoker, 'Political Participation in Australia: Contingency in the Behaviour and Attitudes of Citizens' (2016) 51(2) Australian Journal of Political Science 272 < <u>https://doi.org/10.1080/10361146.2015.1123672</u>>

⁵⁹ Davies, Anne, 'Party Hardly: Why Australia's Big Political Parties Are Struggling to Compete with Grassroots Campaigns', *The Guardian* (online, 12 December 2020)

<<u>https://www.theguardian.com/australia-news/2020/dec/13/party-hardly-why-australias-big-political-parties-are-struggling-to-compete-with-grassroots-campaigns</u>>

organisations fall short of the "digital party" Paolo Gerbaudo talks about, those digital-first insurgent parties like Momentum, La France Insoumise and Podemos that swept Europe in the mid-2010s⁶⁰. While they share a lot of the same attributes, especially with their online presence, they seem to have no intention of translating that insurgent support to taking direct political power or even activating their membership in a deeper way.

The upshot usually means that the way the average supporter engages with those organisations, on a campaign-by-campaign basis or to share the occasional social media post, still doesn't build that political cohesion necessary to build a strong movement. Any social media driven political movement is, fundamentally, not a democratic one — they are, as Peter Chen describes, participative but illiberal and are more therapeutic or status-signalling than any challenge to power⁶¹.

Which leaves us with formal Parliamentary political parties as the heart of a healthy democratic culture.

At their most basic, as *Democracy 2025* argue, parties fulfil three complementary roles in democratic politics: governance — that is creating structured en-bloc interconnections with Parliament and having predictable processes for formulating policies and selecting leader; community linkage — that is capturing and aggregating the concerns and values of like-minded people; and integrity — that is entrenching and enculturating people with the rituals and norms of liberal democracy⁶². All of these functions are important, and a broad, diverse membership (if not the social base of a classical mass party) supports their function. Mass membership also creates a pipeline of talent into the political elite, directly connects leaders to public sentiment and politically-exposed communities and lends legitimacy to a party's collective decision-making.

But there's a fourth connected role that we don't talk about much anymore: political education.

Parties aren't passive actors, merely reflecting the timely desires of the public. Parties shape public opinion and raise new ideas in the public consciousness. They act as shortcuts to help people see the cleavages and contradictions in society and the economy. They create a space for activists and supporters to explore, interrogate, debate and develop their political opinions. They link an issue that invigorates someone to political action to broader political structures and ideologies. Parties are agents of political change in themselves, independent of the individual members within it.

⁶⁰ Gerbaudo, Paolo, *The Digital Party: Political Organisation and Online Democracy* (2018) Pluto Books <u>https://www.plutobooks.com/9780745335797/the-digital-party/</u>

⁶¹ Chen, Peter, 'The role of new media in increasing youth political engagement' *Electoral Regulation Research Network Working Papers* (No. 69, November 2019)

<<u>https://law.unimelb.edu.au/ data/assets/pdf file/0007/3237883/WP 69 Chen The-Role-of-New-Media-in-Increasing-Youth-Politi</u> <u>cal-Engagement.pdf</u>>

⁶² Stoker, Gerry, Evans, Mark and Halupka, Max, 'How Australian federal politicians would like to reform their democracy' (2019) *Democracy 100* <<u>https://apo.org.au/sites/default/files/resource-files/2019-10/apo-nid263581.pdf</u>>

So what are the barriers to joining political parties? Cost probably isn't the biggest barrier to participation in political institutions. Critics correctly point out that football clubs have higher fees than most political parties do. There's also a multitude of other barriers to joining political institutions: the time investment might not be worthwhile, an overexposure of news and political advertising elsewhere in their life, parties' own eligibility criteria (for example, not being a member of another party, to agreeing to a party's platform or be subject to rules on social media use), parties' legacy requirements to physically attend meetings to be a member, or cultural issues within the party — especially racism, sexism, transphobia or a history of mishandling sexual harassment or bullying allegations. It might also be as simple as there not being a party that aligns with their values.

Any serious interrogation of participation in Australia needs to critically interrogate our political parties and the barriers and failures that result in people not joining them.

One potential solution could be to introduce an annual voucher that entitles everyone to join a political party or democratic organisation of their choice. In short, this would probably look like an email or letter to everyone every year from the Government reminding them that they have this special pool of money they can only spend on joining one of Australia's proud democratic institutions. The pool would be tied to a unique identifier like the electoral roll, and when someone joined a party, they could opt-in to using their voucher to pay for their membership. Parties would then lodge annual returns to claim the money at the end of the financial year.

Most parties' annual membership fees are around \$200 — but even if it was as little as \$5 a year, that would be a huge return for parties, maybe enough to not need political donations at all anymore since it would function as a massive increase in public election funding. There is nothing stopping parties offering additional tiers like they already do based on income, work status or willingness to contribute. The important thing would be to ensure that voucher-members would be entitled to the same privileges and voting rights as any other member.

Obviously this shouldn't be limited to just parties. Many non-party political organisations already have registration schemes through electoral commissions for third party campaigns, the Australian Charities and Not-for-Profits Commission for think-tanks and representative organisations with deductible gift recipient status and Registered Organisations Commission for unions and employer associations. It would be relatively straightforward to let those organisations be eligible for the scheme in exchange for internal democracy and transparency standards.

If the tax office administered this like the 2008 stimulus payment, that's around 12 million net taxpayers with tax file numbers. If the electoral commission administered this, that's nearly 17 million voters on the electoral roll. That's fifty times as many people as are currently members of political parties.

If even a fraction of the people eligible sign up — and a fraction of them become active members, that's a huge boost to Australia's sluggish political participation rates and suddenly reconnects parties with society at large. We would have a more engaged, representative and grounded political culture.

Recommendation 14: That a Parliamentary select committee be established to interrogate Australia's poor political participation rates and set clear goals to boost membership in all democratic organisations. *Recommendation 15*: That the regulation of political parties beyond that which is necessary for the conduct of an election be removed from the Australian Electoral Commission and be placed with a new agency with broad powers to improve democratic participation and governance of political parties.

But democratic reform is not only a means to an end. It is at the heart of a new progressive vision for a new society. The most innovative policy ideas in recent years are ultimately all about democracy: of real power for people. It is about democratising the economy by giving people more control over their working lives; democratising finance by breaking up big banks, promoting local banking accountable to local communities; democratising ownership of land by reclaiming public space and reducing the gains to be made from speculation.

Tegan Milligan and Nancy Platts⁶³

As Elias Canetti shows in Crowds and Power, the parliamentary system exploits the psychological structure of struggling armies and should be conceived as a struggle in which the contending parties renounce the killing of each other and accept the verdict of the majority on who has won.

According to him, 'the actual vote is decisive, as the moment in which the one is really measured against the other. It is all that is left of the original lethal clash and it is played out in many forms, with threats, abuse and physical provocation which may lead to blows or missiles. But the counting of the vote ends the battle.'

If we accept such a view, it follows that parties can play an important role in giving expression to social division and the conflict of wills. But if they fail in their job, conflicts will assume other guises and it will be more difficult to manage them democratically.

Chantal Mouffe⁶⁴

⁶³ Milligan, Tegan and Platts, Nancy, "Introduction" in Berry, Christine, et al. *The New Foundations: A Future Built on Democracy* (2021) A report for Politics of the Many. <<u>https://politicsforthemany.co.uk/the-new-foundations-a-future-built-on-democracy/</u>>

⁶⁴ Mouffe, Chantal, The Return of the Political (1993) Verso Books 5 quoting Canetti, Elias, Crowds and Power (1960) Claassen Verlag 220

Little picture

Take action on material that misleads voters

The past four years have seen considerable disquiet over signage at polling places, most notably in the divisions of Chisholm and Kooyong in 2019. While the circumstances that gave rise to those complaints in 2019 do not appear to have been replicated in 2022, the potential for future abuses remains. The Committee should investigate whether any expansion of the prohibition on misleading and deceptive material is needed.

Recommendation 16: That the colours in the Australian Electoral Commission's brand guide be protected by regulation and prohibited from use in any authorised material.

Recommendation 17: That material that seeks to wilfully mislead voters into believing the material originated from the Australian Electoral Commission or a registered political party be prohibited. *Recommendation 18*: That political authorisations on any published campaign materials, including online materials, be required to be of a minimum size, relative to the size of the material and considering the distance a reader would be reading the material from.

If this is too much of a logistical challenge or too much of an imposition on the implied freedom, an alternative approach could be to create a searchable database of distributable material before the polling period begins. Such a scheme was suggested by the Democratic Audit of Australia in their 2019 submission⁶⁵.

This would reduce the enforcement burden on the Australian Electoral Commission on ineligible or illegal material because they would either have had advance notice to bring enforcement actions or corrections when the material was uploaded to the database, or any material not on the database would be able to be prohibited from the polling place immediately without further investigation.

Most political parties have their how to vote instructions available online before the polling period starts already, so this would not be an administrative burden for most. New South Wales, Queensland and Victoria all have schemes that could prove instructive.

Recommendation 19: That any material intended to be distributed or displayed at a polling place — including placards, posters, "how to vote" instructions and third party campaign "scorecards" — be lodged in a publicly accessible database at least a week before the start of the polling period.

⁶⁵ Democratic Audit of Australia's submission to the Committee's inquiry into the conduct of the 2019 election <<u>https://www.aph.gov.au/DocumentStore.ashx?id=77d75ab7-92e3-406e-923a-244d5aa3aec9&subId=670209</u>>

Shift decisions on staffing entitlements to the Independent Remuneration Tribunal

Counterintuitively, the smaller the party is in Parliament, the more work it needs to do. The actual workload of a party is roughly the same if you have two MPs or fifty.

You still need to develop coherent policy positions on all the bills and inquiries and motions and announcements that come up. Your MPs' days are filled with local issues campaigns, shaking hands at a school assembly, speaking at a church gathering or helping people with Centrelink or immigration problems.

At the moment, staffing allocations to MPs is haphazard, and almost entirely at the discretion of the Prime Minister of the day. An incoming government might entice crossbenchers with extra staff allowances or strip everyone's staffing back entirely.

The growth of political staffers in Ministerial offices is well documented and interrogated⁶⁶ but the growth and functions of political staffers for politicians more generally is less well-understood.

Personal political staff took off under the Hawke Government in 1984. The last entitlements review was conducted in 2016⁶⁷ and the last major independent audit was all the way back in 2003⁶⁸.

As of March 2021⁶⁹, there are more than 2,000 political staffers employed under the *Members of Parliament (Staff) Act 1984* — of which 641^{70} are highly-paid "personal staff" (pulling in between \$105,000 and \$180,000 a year between base salary and extra allowances⁷¹).

⁶⁶ Tiernan, Anne, *Power without Responsibility : Ministerial staffers in Australian governments from Whitlam to Howard* (2007) UNSW Press; Ng, Yee-Fui, *Ministerial Advisers in Australia: A Modern Legal Context* (2016) Federation Press; and Ng, Yee-Fui, *The Rise of Political Advisors in the Westminster System* (2019) Routledge

⁶⁷ Conde, John, Tune, David, et al, 'An Independent Parliamentary Entitlement System' *Report for the Parliament of Australia* (February 2016) <<u>https://www.finance.gov.au/sites/default/files/2019-11/independent-parliamentary-entitlements-system-review-feb-2016.pdf</u>>

⁶⁸ Australian National Audit Office, 'Administration of Staff Employed Under the Members of Parliament (Staff) Act 1984', *Auditor-General's Performance Audit Reports* (No. 15, 2003) <<u>https://www.anao.gov.au/work/performance-audit/administration-staff-employed-under-members-parliament-staff-act-1984</u>>>

⁶⁹ Parliament of Australia, *Documents tabled by Rosemary Huxtable before Senate Estimates* <<u>https://www.aph.gov.au/-/media/Estimates/fpa/add2021/tabled_docs/Tabled_Document_14_-_Ms_Rosemary_Huxtable_PSM.pdf?la=en&hash=BFDDE672FCC36B0F553A58DE12111D8EBF3C3FCF&hash=BFDDE672FCC36B0F553A58DE12111D8EBF3C3FC E></u>

⁷⁰ Roughly 400 of those 640 personal staff are Ministerial staffers, the subject of Tiernan's and Ng's extensive studies.

⁷¹ Department of Finance, *Commonwealth Members of Parliament Staff Enterprise Agreement, Classification Structure* (2021) <<u>https://maps.finance.gov.au/sites/default/files/2021-08/ClassificationStructurepersonalemployeesAug21_0.pdf</u>>

By comparison, the remaining electorate staff get paid between \$58,000 and \$120,000 a year⁷², closer to the median full-time salary of \$76,000 a year.

Currently, each MP and Senator is entitled to four electorate staff. Those remaining 640 personal staff are then granted to different parties and officeholders by the discretion of the Prime Minister and Special Minister of State, the result of informal, private negotiations with MPs and Senators. Prior to the May 2022 general election, this allocation unsurprisingly tilted towards the Coalition, with 112 Coalition MPs getting an additional 464 (about four each) personal staff.

The 94 Labor MPs in Opposition got an extra 102 personal staff (about 1 each), the 10 Greens MPs an extra 18 (about two each), the two One Nation MPs and nine miscellaneous independents and minor party MPs an extra 39 (about four each), and the six living former Prime Ministers got 18 (three each).

These allocations do not seem equitable nor related to any actual workload analysis.

These personal advisers were originally conceived as an "alternative voice" to the often-conservative public service "mandarins" seconded to Minister's offices that provided most of their staff. Today, fewer than 20% of Ministerial staffers are drawn from the public service⁷³, down from more than 70% in the 1990s⁷⁴.

While the majority of policy-related positions should revert to the earlier practice of public service secondments (even for those staffing Opposition and crossbench members), some policy roles would need to be retained, since there's always policy development, research, negotiation and experimentation that have a much stronger political dimension — as do many of the party coordination and communications roles. Reverting these positions to secondments would also help reduce the privilege incumbency brings, at least between the two parties of government⁷⁵.

Once that incumbency bonus has been taken away, it would be simpler and more effective to move the staff allocation away from the Prime Minister and Department of Finance to the independent Remuneration Tribunal which already assesses the workload of politicians each year as part of its annual determinations.

⁷² Department of Finance, Salary scale for electorate employees (2021)
<<u>https://maps.finance.gov.au/sites/default/files/2021-08/SalaryRateselectorateemployeesAug21_0.pdf</u>>

⁷³ Draudins, Victoria, 'Who Are the Staffers Shaping Our Political Landscape?', *The Mandarin* (16 July 2018) <<u>https://www.themandarin.com.au/95842-who-are-the-staffers-shaping-our-political-landscape/</u>>

⁷⁴ Donaldson, David, "Partisan Staff Undermine Government Institutional Memory", *The Mandarin* (12 August 2014)
<<u>https://www.themandarin.com.au/1723-partisan-staffing-undermining-government-institutional-memory/</u>>

⁷⁵ Martin Bortz proposed a more radical solution: Bortz, Martin, 'Australian Democracy Needs a "Department of the Opposition", *The Mandarin* (25 July 2018) <<u>https://www.themandarin.com.au/96243-australian-democracy-needs-a-department-of-the-opposition/</u>>

Twenty years ago, no-one had any idea that every MP would need to maintain a constant feed of highly-produced content on five or more social media platforms — but it was still common practice for MPs to need typists to take dictation.

Let the Remuneration Tribunal decide what publicly-funded staff politicians and parties get in their annual determinations. The independent Remuneration Tribunal already has the resources and expertise to determine what's appropriate for an MP's pay, travel allowances and communications expenses. They already adjust pay scales for party positions like leader, whip or portfolio spokesperson.

The tribunal conducts annual reviews of the duties and workload of an MP, compares it to other jurisdictions and industries, and determines an appropriate level of remuneration. They do this for public service executives, judges and statutory appointees.

It makes sense for the tribunal to cover personal staffing. The tribunal could also then objectively assess the incumbency benefit, both to the parties of government and to elected politicians generally, and aim to alleviate that or consider structures that provide a level of equitable offset for emerging parties and candidates.

Recommendation 20: That the independent Remuneration Tribunal be empowered to determine the allocation, resourcing and duties of personal political staff and electorate staff, taking into account the relative real workload of each representative, their Parliamentary and political roles and the relative resourcing of their political party in Parliament.

Rethink the trigger for non-standard preference distributions

Several "non-traditional" seats remained "in play" for several days after the 2022 Federal election because of the practice of divisional returning officers deciding which candidates would be selected for the two candidate preferred count on polling day.

With the rising number of seats where three or even four candidates receive roughly equal primary votes, a new system needs to be devised to ensure reliable results are released in a timely fashion.

One option is, using previous election results, a formula like x > (100/(x+1))-5 where x is the number of viable candidates (effectively triggering a 2CP count where the previous results had two candidates over 28% of the primary vote, 3CP when three candidates had over 20%, 4CP when four candidates had over 15% and so on), possibly capping where x = 5.

Based on preliminary 2022 results, 12 seats would trigger a 3CP count at the next election: Cunningham, Newcastle, North Sydney and Richmond in NSW; Higgins and Macnamara in Victoria; Brisbane, Griffith, Moreton and Ryan in Queensland; Perth in Western Australia; and Adelaide in South Australia. Of these, only North Sydney was not a Labor-Green-Coalition 3CP count. No seats would trigger a 4CP or 5CP count.

While previous election results are not reliable indicators of future results, this method when applied to the 2019 result would have triggered 3CP counts in Richmond, Macnamara, Brisbane, Griffith and Ryan, the delayed counts of which left those seats in limbo for longer than necessary.

Recommendation 21: That the Australian Electoral Commission undertake a technical study to find a systemic way to determine on polling day if a 3CP or 4CP count is necessary in a given division.

If such a change is impractical, there are two relatively small changes the Australian Electoral Commission could adopt that would speed up the count and help make results more predictable and less volatile. Not requiring an indicative 2CP to be completed before the primary counts are released publicly, and to introduce a Senate-style electronically assisted counting system to allow all ballots to be scanned and full preference distributions calculated.

This would have the additional effect of helping determine the rate of condorcet winners, that is seats where the ultimate winner was also the most preferred candidate in any matched pair.

Recommendation 22: That completion of indicative 2PP counts at a given booth not be required for primary vote counts to be released on the evening of polling day.

Recommendation 23: That electronically assisted counting in the manner of the Senate count be implemented for the House of Representatives counts and all ballots be scanned and full preference distributions calculated as a matter of routine.

Add an above-the-line naming system for non-party candidates

Candidates who run in groups for the Senate without a registered political party should be entitled to nominate a name to go with their above the line box. This echoes comments by Kevin Bonham from his 2019 submission⁷⁶. While obviously words like "independent" or unregistered party names should not be permitted, high-profile independents should be entitled to have their lead candidate's name listed above the line – or as Bonham suggested "*a neutral description such as, in the Tasmanian case, GROUP O (GARLAND/DUNCAN)*" – along with an

⁷⁶ Kevin Bonham's submission to the Committee's inquiry into the conduct of the 2019 election,
https://www.aph.gov.au/DocumentStore.ashx?id=f160bf33-c244-431d-917b-ce03e49b26ac&subId=670148

AEC-generated logo of their initials. This will improve formality and provide some equity to Senate candidates who choose not to form a political party.

Recommendation 24: That grouped Senate candidates without a registered political party be permitted to nominate that the surnames of the first two grouped candidates be listed "above the line".

Implement savings provisions for House of Representatives ballots

The high proportion of informal votes at Federal elections remains a problem and effectively disenfranchises one in twenty voters, up to one in five at some booths in areas with a large proportion of people with English as a second language. This high informality rate results from the system not being flexible enough to allow ballots, where but for a technical error, the voter's intention is clear.

As a simple democratic principle and to paraphrase Antony Green, votes should not be disallowed merely because of numbering errors involving irrelevant candidates.⁷⁷

The Committee should consider Kevin Bonham's 2019 recommendations on this topic⁷⁸:

Progress could be made without allowing any votes to exhaust by: (1) treating a vote with gaps in sequence but no other defects as if there was no gap in sequence... (2) finding a method to arbitrarily assign an order in cases where a voter had expressed tied preferences... [and] (3) finding a method to arbitrarily assign an order for remaining candidates in cases where a voter had numbered at least six boxes correctly but omitted at least two boxes.

To avoid a backdoor way of introducing optional preferential voting federally, any savings provision must include a rule prohibiting advocating for an incomplete ballot.

Recommendation 25: That savings provisions be introduced that ensure House of Representatives ballots are counted where, but for a gap in sequence, the intention is clear, provided that advocating that voters mark their ballot informally but for savings provisions remain prohibited.

Recommendation 26: That the Australian Electoral Commission undertake further research to determine appropriate savings provisions for House of Representatives ballots.

⁷⁷ Antony Green's submission to the Committee's inquiry into the conduct of the 2016 election

⁷⁸ Kevin Bonham's submission to the Committee's inquiry into the conduct of the 2019 election,
<<u>https://www.aph.gov.au/DocumentStore.ashx?id=f160bf33-c244-431d-917b-ce03e49b26ac&subId=670148</u>>

Remove the political exemptions from telecommunications legislation

Following the high-profile text spam scandals in the 2019 and 2022 elections⁷⁹ — and the business arising from the Senate Environment and Communications Legislation Committee's 2020 report into the Telecommunications Legislation Amendment (Unsolicited Communications) Bill 2019^{80} — it is time for the special exemptions granted to politicians, political parties, their campaigners and volunteers, and their contractors to be reevaluated.

Removing exemptions for political actors and reviewing privacy, telemarketing and spam regulations to consider whether they are appropriate and adaptable to modern political campaigning is a simple but critical change that would have profound effects on the public's sense of trust in elections and politics more broadly.

I will leave the reform of the *Privacy Act 1998* to its own ongoing inquiry, however I believe it is important to address two lesser-known pieces of legislation — the *Spam Act 2003* and the *Do Not Call Register Act 2006*.

As with the Privacy Act, these regulations have carve-outs for political actors that treat their communications on equal footing with charities and government, despite their *prima facie* difference in both form and intent. While a simple removal of the exemption would suffice, the core issue is the inability for most recipients of political communications to unsubscribe from any future instances.

In the more challenging example of the Do Not Call Register, it is important to draw a distinction between automated calling (also known as "robocalling") and mass impersonal text "blasts", and phone calls and increasingly text chats instigated by volunteers on behalf of a party, candidate or campaign. While people should be able to opt out of both, these should be offered as two options to opt out of, given there is a qualitative difference between receiving a pre-recorded message compared to talking to someone.

Recommendation 27: That exemptions for political parties, candidates, campaigns and contractors be removed from the Spam Act 2003 and Do Not Call Register Act 2006.

Recommendation 28: That political material distributed by any mass telecommunications service include a prominent one-click unsubscribe link.

Recommendation 29: That the Do Not Call Register form be updated with options for people to separately opt-out of automated political calls and texts and personal political calls and text chats.

⁷⁹ Mealy, Erica. "How political parties legally harvest your data and use it to bombard you with election spam" (2020) The Conversation <<u>https://theconversation.com/how-political-parties-legally-harvest-your-data-and-use-it-to-bombard-you-with-election-spam-148803</u>>

⁸⁰ Senate Environment and Communications Legislation Committee. *Report into the Telecommunications Legislation Amendment* (Unsolicited Communications) Bill 2019. (April 2020)

<<u>https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/UnsolicitedCommBill/R</u> eport>

Other issues to reflect on

I would like to note a few reforms suggested by other and previous submissions that I think the Committee should avoid or at least give due scrutiny to.

The following are recommendations made by others or by previous Committees that I strongly oppose:

Banning political staffers from working on party political, campaign or re-election work either by a code of conduct or a change to the Member of Parliament (Staff) Act 1984: Some will argue that political staffers should be restricted by law to only doing constituent or Parliamentary work — not "political" or "partisan" work. However, in today's fast-paced media environment, it is difficult to disentangle those functions.

Political staffers also do important work in enriching democracy. They perform functions that public servants should not do that grow public consciousness and their political education. It is a very subjective call on whether researching and promoting a policy position, doing media and social media outreach or collaborating with party functionaries on the design and implementation of the party platform is not in the public interest. While staffing allocation should be rebalanced to be more equitable, bans on certain kinds of work will diminish the quality of work being conducted.

- *Restrictions on when electorate printing and communications allowances can be used*: Many offices use their printing and communications allowances to support community campaigns and organisations. Time-based restrictions, rather than permanent content restrictions or reduced allowance caps, will only work to penalise those groups. Rules should be in place for a whole term not just for the period before an election.
- *Banning or restricting partisan material at polling places*: Campaigners representing endorsed candidates and campaigners from third party campaigns should be subject to the same rules (as opposed to the nakedly partisan recommendation of the Inquiry into the conduct of the 2019 election which recommended 100 metres from a polling place for third party campaigners and six metres for campaigners for endorsed candidates).
- *Including volunteer hours in any donation or expenditure caps*: Volunteering, especially field campaigning like doorknocking, rallying and community organising, are critical to a healthy and dynamic democracy and help involve more people in our political system. While it is fair to expect in-kind professional services like legal, communications or design work to be recorded at market value as expenditure, core campaigning activities should not be restricted in any way.