



25th October 2019

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

Submission via: em@aph.gov.au

Dear Committee members,

Animals Australia's submission to the Commonwealth Electoral Amendment (Real Time Disclosure of Political Donations) Bill 2019 [the Bill]

Animals Australia is a peak animal protection organisation in Australia. On behalf of our individual members and supporters we welcome the opportunity to make the following submission to this private members bill. Further information can be provided upon request if it will assist the Committee.

Animals Australia supports efforts to bring transparency into political donations and legislation that aims to bring about this change. However, after reviewing the proposed Bill we are very concerned that there are unintended outcomes and disclosure issues that would adversely affect Animals Australia and other charities, stifling important contributions to progressive social reform.

The focus of this submission is to highlight the impact on charities including Animals Australia. We understand the concerns listed below - (a) to (e) - are likely to be unintended consequences, but they are of serious concern to our organisation.

(a) The Bill captures gifts to political campaigners with charity status regardless of whether those gifts are used to incur political expenditure

As the current legislation stands, gifts to our charity are not required to be disclosed that are not for the purpose of 'political expenditure', i.e. only those donations which fall into that category definition need be disclosed. This is very important to our organisation as a great deal of our animal welfare operations are not political in nature. Relevantly, Animals Australia in the 2018/19 financial year spent 6.2% of their total expenditure on what was deemed as 'political expenditure'. The primary work and thus expenditure of the organisation is directed to more international projects helping animals directly on the ground, corporate liaison, and outreach and educational programs. In this current financial year, it is unlikely that any expenditure will be deemed as 'political'.

The proposed section 305C in the Bill could be interpreted that donations regardless of whether those gifts are used to incur electoral/political expenditure would need to be disclosed. As an example, a supporter who provides a \$15,000 donation to the construction of an animal welfare sanctuary enclosure in Jordan would need to have their identity disclosed on a public register, even though this is not political expenditure. This example, (and there are many others) points to important support for projects to directly assist animals

and which contribute to modelling high welfare standards. Such generous donor support will be in jeopardy if our supporters do not want their personal details publicly disclosed.

We don't believe that discouraging private support of our organisation is the intention of the Bill and so we request the Bill be amended to ensure that the status quo remain – i.e. only donations/gifts related to 'political expenditure' need be disclosed.

(b) Real time disclosure for donations over the disclosure threshold

The proposed section 305C does not mention the disclosure threshold of \$13,800, which is listed in the Explanatory Memorandum to the Bill. Without specific inclusion of the threshold the Bill would require disclosure of any/all persons or entities that provide a gift to a 'political campaigner' organisation. To provide real time disclosure of any and all such amounts (very small to large) would be onerous and unworkable; we conclude this is not likely to be the intent of this Bill. Section 305C must be amended to clarify that only gifts that are over the disclosure threshold are captured by this intended legislation.

(c) Lowering of the disclosure threshold

If there were further amendments to lower the disclosure threshold (from \$13,800) to \$1000, which has been proposed by the Labor Party and the Greens, this would impose a significant burden on charitable 'political campaigner' organisations to be able meet the requirements of real time disclosures.

The vast majority of Animals Australia's donors and supporters provide small donations throughout the year. A reduction in the disclosure threshold would require us to track this everyday to identify when their total gifts exceed the \$1000 disclosure threshold. Each of these supporters would need to be communicated to prior to exceeding the threshold, requiring further time-consuming record-keeping and correspondence; our staff will be unable to undertake proactive work toward our mission whilst attending to this added administrative burden.

Of crucial importance to the resourcing of our work is that this requirement to public disclose these (medium-level) donors' details publicly is likely to discourage supporters from further donating.

The following issues relate to the impacts of those concerns listed in (a), (b) & (c)

(d) Impact on Fundraising for charitable organisations

Animals Australia understands the need to disclose details of gifts exceeding the existing (\$13,800) threshold and which are of a 'political expenditure' nature. However, without the requested amendments in the Bill (as indicated above), the Bill (and subsequent legislation) would have a significant effect on the fundraising abilities of Animals Australia and other charities.

Having to disclose personal details of our donors, will make it harder to bring donations into the organisation. The mission of the organisation and our supporters is for the benefit of animals and the Bill as currently drafted will reduce our ability to operate effectively.

Animals Australia is an apolitical organisation; 'political expenditure' is not directed at any political parties, but rather aims to highlight welfare issues for the public. To communicate to our supporters that their donations will require their personal details to be publicly registered will potentially impact on the organisation's ability to fund its work.

(e) Excessive Disclosure requirements

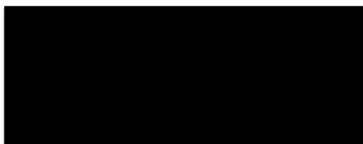
Real time reporting, lowering thresholds and extending it to all gifts even if not used for 'political expenditure', creates heavy administration for a charity. Animals Australia already adheres to existing reporting and disclosure requirements governed by the ACNC and fundraising acts in each state. Our audited general purpose financial statements can be accessed by the public which provides transparency in how we manage our donations and the work we undertake toward our charitable mission.

We strive to work efficiently to reduce our administration costs so that donations are directed to the benefit of the animals' cause. Our primary concern is that the effect of this Bill will mean our limited resources would need to be shifted away from our mission, to focus instead on ensuring we are adhering to the disclosure requirements of the bill. For example; a fundraising program that brings in \$250,000 may have 30 or more supporters that gift \$1000. There may be another 50 supporters who provide a gift less than \$1000, but that cumulatively takes them over the \$1000 threshold. Each one of these supporters would need to have their personal details disclosed. Prior to this, our donations forms would need to be updated to ensure our supporters understand this requirement (perhaps dissuading them from donating). A follow up to each donor would need to occur to mitigate any issues of not knowing of this disclosure requirement, and also to advise them once they have reached or exceeded the threshold. It's likely that a number of those supporters would ask for a refund, adding further tasks to the process.

We implore the Committee to amend the Bill so that it brings transparency into political donations, but without the excessive disclosure requirements for charitable 'political campaigners' such as Animals Australia. If the Bill remains in its current form our charitable work will inevitably be significantly and detrimentally affected.

We commend this submission to the Committee. We would also be pleased to provide any further information or clarification to assist the committee further if required.

Yours sincerely,



Glenys Oogjes
Chief Executive Officer
Animals Australia Federation

