



SUBMISSION TO THE JOINT SELECT
COMMITTEE ON ELECTORAL
MATTERS INQUIRY INTO ALL
MATTERS RELATING TO THE
COMMONWEALTH ELECTORAL
AMENDMENT (LOWERING THE
DONATION DISCLOSURE
THRESHOLD) BILL 2019

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About the Australian Progressives

Our mission is to build a fairer Australia.

We aim to refresh Australia's national discourse and rebuild our political and economic landscape as a more engaged, empowered and ethical democracy.

We will do this through a policy platform founded upon evidence, empathy and equality.

We are a group of concerned and dedicated Australians, advocating for the election of quality candidates at each level of government.

We welcome senior thinkers and community leaders into our party, whose interests are tied to equality of opportunity and equitable outcomes.

We invite all like minded Australians to join us.

Progressives for 21st Century Democracy

The Progressives for 21st Century Democracy are a Policy Action Team within the Australian Progressives.

Our mission is to engage with members of the party, and experts in political reform, to deliver to the party an actionable platform that will serve to produce a more engaged and modern democratic society in Australia.

We seek to shape our Australian citizen-centred democracy at the personal level through instituting electoral safeguards designed to enhance true representation and increase the trustworthiness of our parliamentary democracy.

We will deliver ongoing measures in our parliament to safeguard responsible government into the 21st Century.

We will continue to advocate for the separation of Church and State.

We will refine our federation through constitutional reform and lead the change to a modern Australian Republic.

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Executive Summary

The Australian Progressives are a federally registered non-parliamentary political party. This submission is the party's official statement on the Commonwealth Electoral Amendment (Lowering the Donation Disclosure Threshold) Bill 2019. In making this submission, the Party acknowledges the efforts of the Joint Select Committee, and thanks the Committee for the opportunity for the Australian Progressives to contribute our views on this issue, which is of great importance to our democracy.

The 2019 Federal Election was a great warning to the nation about the dangers of monied interests buying power and influence in our political system. With all parliamentary parties and several non-parliamentary parties registering record levels of donations and the effects of billionaires attempting to influence our system through flooding our social media, newspapers and skylines with their own image, coupled with the effects of so-called "Fake News", it has become abundantly clear that we need to remove the influence of money on our political process.

The Australian Progressives support the bill as an effective step in the path to removing the power of big donors in our political system, and transitioning to the eventual goal of full public funding of elections. This submission examines the bill as proposed, and we offer support for the necessity of such a move.

It is evident that this bill is necessary, but must also be considered only as a "first step" in a process. This submission will also propose further necessary reform related to this matter.

Finally, we assert that this bill requires omnipartisan support in both chambers of Parliament. In our view, this bill is in the interests of all Australians and all political parties, both in parliament and non-parliamentary.

It is essential that the people of Australia are fully informed about who is financing their political parties and representatives. Moreover, it is important to identify how these donations are potentially influencing public policy decisions that affect the day-to-day lives of all Australians.

In submitting our recommendations and views to the committee, we'd also acknowledge the Member for Mayo, Rebekha Sharkie MP, and congratulate her on providing this well-written and common sense legislation.

The Facts of the Bill

This section will lay out the facts of the bill, upon which the rest of the submission will be supported.

The bill has 2 substantive amendments to the Commonwealth Electoral Act 1918, those being:

1. An amendment to Subsection 287(1) (definition of disclosure threshold) which would repeal the definition (including the note). These are provided below:

Commonwealth Electoral Act 1918, Subsection 287(1):

disclosure threshold means \$13,800.

Note: This amount is indexed under section 321A.

This section would be substituted with the following:

Commonwealth Electoral Act 1918, Subsection 287(1):

disclosure threshold means \$1,000

2. An amendment to Section 321A which provides for the indexation of the disclosure threshold amount.

This section applies to the dollar amount mentioned in the definition of ***disclosure threshold*** in subsection 287(1).

(2) The dollar amount mentioned in the definition, for an indexation year whose indexation factor is greater than 1, is replaced by the amount worked out using the following formula (rounded to the nearest \$100):

Dollar amount for the provision for the previous financial year	×	Indexation factor for the indexation year.
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(3) For the purposes of sections 304 and 305A, the dollar amount mentioned in the definition for an indexation year is not replaced if the indexation period begins:

- (a) while a person is a candidate or member of a group in an

election or by-election; or

(b) during the period specified by legislative instrument under paragraph 305A(1A)(a).

(4) The ***indexation factor*** for an indexation year is the number worked out using the following formula:

$$\frac{\text{March index number for the previous financial year}}{\text{March index number for the year before the previous financial year}}$$

(5) The indexation factor is to be calculated to 3 decimal places, but increased by .001 if the fourth decimal place is more than 4.

(6) Calculations under subsection (4):

(a) are to be made using only the March index numbers published in terms of the most recently published index reference period for the Consumer Price Index; and

(b) are to be made disregarding March index numbers that are published in substitution for previously published March index numbers (except where the substituted numbers are published to take account of changes in the index reference period).

(7) In this section:

indexation year means each financial year beginning on 1 July.

March index number means the All Groups Consumer Price Index number, being the weighted average of the 8 capital cities, published by the Australian Statistician in respect of the 3 months ending on 31 March.

The bill as provided would remove the entire section above from the Act.

The objective effect of this bill would be the lowering of the disclosure threshold to \$1000, with this value no longer being indexed.

Australian Progressives Policy

The Australian Progressives' platform regarding Political Donations Reforms has several important planks. Included amongst these are:

- A ban on corporate donations to political parties and candidates.
- The requirement of trade unions to disclose to members the intention of making a major donation, and to seek support for that donation.
- A ban on 'cash for access' events.
- The expansion of public funding of elections, especially to allow political parties to enhance their policy development capabilities.
- The establishment of 'real time' declaration of donations.

It is the view of the Australian Progressives that money, and especially undisclosed money, is a significant cause of the political rot that has resulted in the lowest ever levels of trust in politics, politicians and the institutions that exist to serve the Australian people. It is money that is largely responsible for our failure to adequately respond to the climate crisis. It is money that is largely responsible for the continuing erosion of the social safety net. The desire to receive donations from this individual, or that corporation, has seen terrible reforms passed, such as Work for the Dole, the Cashless Debit Card Trial, and the abolition of reform such as the Clean Energy Act 2012, plus the failure to pass essential reforms such as the Resource Super Profits Tax.

For this reason, any policy that seeks to shine a light on who is attempting to influence our political system is one that the Progressives will readily consider.

Substantive Commentary on the Bill

The Australian Progressives are proud to support the Bill as presented, as it keeps to the spirit of our platform and our desire for a more accountable and ethical political system. We note that the threshold of \$1000, and while we believe that all political donations should be banned, that this is a satisfactory threshold for mandatory disclosure should we retain the current donations-based funding model. The Progressives also note that shortly before the 2019 Federal Election, the Parliament opted to pass legislation that doubled the nomination fee for the House of Representatives from \$1000 to \$2000. As a result of this, the legislation before parliament would force the disclosure of the nomination fee for any and all candidates to stand for the parliament. While the Progressives remain opposed to moves to lock people out of the democratic process, and call for the parliament to lower the nomination fee and seek other arrangements for funding the administration of elections, we recognise that the legislation, as presented, would go a long way toward providing transparency to the public of who is financially supporting a candidate as they seek to run.

The Progressives also recognise that \$1000 is a sufficiently low level, as it respects the privacy of small donors to political parties, both minor and major, as an expression of their support in the current donations-based model of political activity. The Progressives believe that a donation-disclosure threshold below \$1000 would cause some Australians who live in electorates where they find themselves supporting an opposition party to reconsider their decision to financially support an opposition party, especially a minor party with policies outside the neoliberal orthodoxy.

On the issue of indexation, the Progressives support the decision to abolish indexation for the donation disclosure threshold, as we believe the threshold is sufficiently high that inflationary pressure is not a factor in the decision to raise, or lower, the threshold. People who donate to political parties, more often than not, do so as an expression of their values, rather than for the tax-offset it provides. Such values-based purchases are rarely affected by ordinary range inflation.

The final remarks we'd make on this bill is that it ought to pass the parliament with omnipartisan support. All political parties currently serving in the Federal Parliament suffer from the significant trust-deficit in politics, as all Australians do too. The nation is crying out for the parliament to be more transparent and open with the people. Unanimous support for a bill that lowers the donation disclosure threshold, and sees the parties reveal their big donors would go a long way to restoring some level of trust in the democratic institutions that we rely on.