

Australian Greens Submission regarding the *Commonwealth Electoral Amendment (Lowering the Donation Disclosure Threshold) Bill 2019*

The Australian Greens welcome the opportunity to comment on the *Commonwealth Electoral Amendment (Lowering the Donation Disclosure Threshold) Bill 2019 (the Bill)*. Our brief comments in support of the Bill and recommendations for further reform are set out below.

DISCLOSURE OBLIGATIONS

The Greens have consistently advocated for the introduction of a rigorous regime for transparency of campaign funding. Timely and consistent funding disclosures are critical to rebuilding public confidence in the operation of political parties.

Therefore, we support the Bill in applying disclosure obligations to donations above \$1,000, and removing indexation of that disclosure threshold. This is consistent with recommendations made by a number of previous parliamentary inquiries¹ and the threshold applying in a number of Australian jurisdictions.

The amendments should also clarify that the threshold applies to the cumulative total of donations given by a donor in a reporting period, to avoid the possibility that a donor will give a number of smaller donations to escape disclosure obligations.

As set out in previous submissions, we believe that a lower disclosure threshold should also be complemented by real-time disclosure obligations (as proposed in Ms Sharkie's *Commonwealth Electoral Amendment (Real Time Disclosure of Political Donations) Bill 2019*).

In our experience, increased disclosure requirements will create an increased level of administration and associated costs for affected organisations. We recommend that consideration be given to mechanisms and support to ensure these additional requirements do not unfairly disadvantage smaller organisations and party branches. In particular, administrative difficulties would be lessened if donation disclosure requirements were standardised between all jurisdictions.

FURTHER REFORMS

¹ For example, JSCEM Report on the funding of political parties and election campaigns (2011); Senate Select Committee Inquiry into the Political Influence of Donations (2018).

The amendments proposed in the Bill and its earlier counterpart should also be strengthened in three key ways to address the pervasive political influence of donations:

- including membership subscriptions and attendance at fundraising events in the definition of “gifts”;
- banning donations from key industries, as recommended by the Senate Select Committee Inquiry into the Political Influence of Donations; and
- capping all other donations to political parties and candidates to \$3,000 per election cycle. Contributions from the same donor should be aggregated for the purpose of this cap.

We recommend that the Bill be amended to incorporate these additional safeguards against political corruption.

Donation reforms must be supported by a review of the system for public funding of elections. We refer the Committee to our submission to the Inquiry into the 2019 Election for more detailed discussion of potential reforms.

Any reforms to donations and election spending must also be supported by additional resources for the Australian Electoral Commission and the introduction of a strong federal integrity commission, such as that proposed by the *National Integrity Commission Bill 2018 (No 2)*, to investigate and act on non-compliance.

RECOMMENDATIONS

1. Adopt the Bill, subject to amendments to clarify that the threshold applies to the aggregate of all donations from a donor within a reporting period.
2. Further amend the *Commonwealth Electoral Act 1918* to:
 - + introduce real-time disclosure obligations;
 - + impose a cap on donations of \$3,000 from any individual or organisation to a political party, candidate or branch during a parliamentary term; and
 - + ban donations to political parties and candidates by all for-profit developers, banks, mining companies and tobacco, liquor, gambling, defence and pharmaceutical organisations.
3. Consider the compliance costs for reporting entities and models of funding to ensure those costs do not disadvantage independent candidates and small parties.

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4. Initiate COAG discussions with a view to developing harmonised political donations laws in all States and Territories.
5. Establish a strong, independent and accountable national integrity commission, such as the body proposed by the *National Integrity Commission Bill (No 2) 2018*.

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