

Submission to the Review of the Electoral Legislation Amendment (Electoral Funding and Disclosure Reform) Act 2018

I would like to make a submission to this review as an ordinary voter that is exasperated that our democracy seems to be bought and sold with little or no attention to the needs of voters and with scant regard for moral or legal normalities.

I come as an engaged voter without political affiliation and without any other interest that would distort my views on the electoral system.

In principle my views are that political donations are a way of ordinary people to be involved in the political process and to provide financial strength to those political parties that are able to develop policies that can be articulated as being in favour of large numbers of people.

It is however an area that causes a great diminishment of public trust in government. In any other aspect of life, if people in charge of important decisions were provided with payments that directly contribute to their personal success, then it would be viewed as a fraudulent or corrupt process. The political world should have even stricter rules given they are administering public funds.

This is the very reason that public servants are prevented from receiving any gifts or consideration, lest it distort their judgement. Why would it not apply equally to those wielding the ultimate power over public affairs?

In summary, my recommendations would be:

- a) Restrict the monetary value of donations to an amount that is achievable by the vast majority of voters so as to allow for equal support of the democratic process for the poor as well as the wealthy;
- b) Restrict the ability to give donations to those listed on the electoral role, excluding all corporate and foreign donations;
- c) Have real time recording and publishing of all donations;
- d) Register all in-kind donations;
- e) Recognise the pecuniary interest associated with donations.

Restriction on the monetary value of donations

The scenario where a political donation can be made that is so large that it can generate a public message that sways an election to effectively ensure victory to a preferred party is perverse in the extreme. It values an individual's interests far above that of ordinary people purely on the basis of how much capital they are able to control.

It produces a result that is effectively bought in the interests of an individual, corporation or small group of people over the interests of the general population. It does not produce the best result for the nation.

It is nonetheless important for ordinary people to be able to become involved in the democratic process so the ability to donate should still be available. It shouldn't however, be a process that favours donors whose contributions are small in terms of personal sacrifice but outstrip those who are only able to afford a small contribution. There are enough aspects favouring entrenched power and wealth without enhancing it with weak donations laws.

Donations should be limited to an amount that is achievable by the vast majority of voters so as to allow for equal support of the democratic process for the poor as well as the wealthy. There will have been more research done on this issue by others, however I would expect to see a donation limit of around \$1,000, or maybe 2/3 of the median weekly wage.

Restriction of corporate donations

Time and again a headline reads Contract X awarded to Company Y, who happens to be a donor to the government that decided to award the contract. It smacks of directing public funds to companies that are prepared to return that public money to the political party in charge of giving it out.

It is by no coincidence that this occurs. For the donor, donations buy access to power and by providing the means for the powerful to maintain power they also buy favour. Recent history shows that this can be in the form of an enhanced voice in the preparation of legislation, access to contracts with or without a tender process or the dictation of public policy.

It is rare that a corporate donation is made without an expectation of a return. Companies are in the business of making money and in every other aspect of their operation the spending of capital is required to generate a measured return. It is a nonsense to expect that corporate donations to political parties would be any different.

Similarly, the use of union funds to support a particular party should also be prevented. Again, it is the use of large sums of money to garner influence that far exceeds that which is available to ordinary people.

In each case, with corporate and union donations, should each organisation see fit to provide support to a particular political party then there is the option of convincing their shareholders, employees or members to make individual donations.

Real time recording of donations

As with all facets of government, transparency is the best way to ensure that donations are not used with nefarious intentions. All donations should be published in real time. The technology is available, it is used commonly to publicise charitable donations, the only thing missing is the will.

The current process of waiting up to 18 months to see donations is laughable at best.

In line with the first recommendation, with all donations being made by people on the electoral role, the publishing of all donations should also reflect the actual person making the donation. Not some shady company, fundraising organisation or interest group.

Register in-kind donations

Political parties receive boundless contributions to their cause through means other than financial contributions, including unpaid, positive media endorsement and uncommercial transactions related to campaigns. Each of these transactions has a value and subsequent return, to both the political party and the donator. They should be treated in exactly the same way as monetary donations.

This will obviously be more complex and will require some level of additional audit however it is no less designed to influence the process and garner favour than a straight cash donation and so should be treated in the same manner.

Recognise the pecuniary interest associated with donations

Large donations are generally intended to influence political outcomes, whether it be a specific political decision or the general direction of legislation. This creates a pecuniary interest for any politician or political party.

For general legislation it would disrupt the legislative process if politicians were unable to vote due to contributions made by donors. It would be appropriate however for all voters to know the nature of the donors to particular politicians or parties when it comes to legislation that has an impact on the operations of their donors.

For example, it would be useful to know how many donors associated with the gambling industry contribute to politicians that vote in favour of any easing in gambling legislation. Likewise with the fossil fuel industry, corporate consulting industry or firearms industry.

At the lower levels of government and in the award of government contracts this becomes more critical. Specific payments to specific politicians has the potential to corrupt the fair process of specific decisions relating to the circumstances of an individual, whether it be related to land use applications, works contracts or the employment of staff.

By matching donors and donation recipients to such decisions it will improve the transparency and integrity of the process and will assist in identifying malfeasance for review by corruption investigation organisations.

A limit to this pecuniary interest may be set at a reasonable amount to encourage involvement in the political process and recognise that small donations carry little expectation of quid pro quo. Perhaps a limit of \$100 could be set, under which there is no deemed pecuniary interest.

Summary

Our political system has been so compromised by the undue influence of wealth and power. There is little trust left in the integrity of politics and this in large part is related to influence and corruption of the process by political donations. It is long past time for this to be cleaned up for the good of the nation.