

Committee Secretary
Joint Standing Committee on Electoral Matters

Submission to the [Review of the Electoral Legislation Amendment \(Electoral Funding and Disclosure Reform\) Act 2018.](#)

I submit as follows on the matter of reform of electoral donations....

Recent news media coverage of analysis by the Centre for Public Integrity of disclosable payments to political parties (eg 'Miners flex fiscal might and power, *Sydney Morning Herald*, 18 January 2021) are indicative of the extent to which Commonwealth electoral processes are potentially open to corruption by individuals and bodies corporate able to use political expenditure/electoral donations to achieve power/influence over political outcomes.

Australia is commonly described as a Democracy but, if a Democracy is a form of government in which all eligible people may be able to participate freely and equally in their government – government 'of the people, by the people, for the people' as Lincoln put it – the description doesn't fit well when,

- (1) Electorally: we are compelled to vote; we have unequal numbers of people enrolled in House of Representatives electorates and even more unequal numbers in Senate constituencies; and political party representation in both the House and the senate bears little resemblance to the first preferences of the electorate.
- (2) In the peddling of influence, it is small numbers of rich, powerful and/or articulate individuals and bodies corporate (the latter including unions, agencies, news media and other collectives as well as public corporations) who have the ear of politicians rather the so-called 'silent majority'.
- (3) In the funding of political campaigns and political parties, including electoral funding, current electoral legislation enables well-resourced vested interests individual and corporate - who need not even be on electoral rolls – to further their agenda in ways well beyond the resources available to the great majority of the electorate.

Of course, some individuals and corporates will use whatever means at their disposal to achieve their objectives, even to the extent of capturing political parties (which themselves are essentially collectives pushing particular agenda), sometimes in the name of supporting Democracy. This may run counter to the ideal of Democracy but clearly it works.

While much of what I have said above lies outside the remit of your Committee (and some indeed cannot be addressed without replacing our nineteenth century Constitution with one for the twenty first century), your Committee can consider the matter of donations in cash or in kind) to political parties for electoral purposes.

At the very least your Committee should answer the question 'why should persons natural and bodies corporate whose names are not on an electoral roll be allowed to donate to political parties or the agents of political parties?' **It is fundamental to the idea of Democracy that only persons enrolled should be allowed to make political donations.**

Beyond that are questions about caps on donations and about public disclosure of political donations. For instance, how much should an individual be allowed to donate via his/her party or directly towards his/her own electoral campaign' – which might be expressed somewhat differently as 'how much should an individual be allowed to pay for a position of influence?'

On this question, and noting particularly that our income tax system is generous towards affluent individuals who can fund their own electoral campaigns, caps on personal donations towards a particular campaign should bear some resemblance towards what an ordinary person might reasonably afford, annual median Australian personal income perhaps?

On larger questions about political donations, even if corporate bodies and individuals not on an electoral roll were not allowed to make these donations (directly or indirectly through others) **caps on both individual donations and on amounts not required to be publicly disclosed should be low, in the interests of transparency.**

There may be a case for different caps and disclosure requirements for one-off electoral/political campaigns as distinct from annual donations towards the operation of political parties. In both cases caps should be low (such as the quantum of annual median – not average – personal income) and disclosure should be required for amounts above a meaningfully low threshold in each case.

I understand that the costs of running political parties and electoral/political campaigns, including increasingly salaries for paid staff and lobbyists and the costs of research and promotion are escalating, apparently without restraint. However, outsourcing these costs to affluent individuals or corporations 'to support Democratic government' is a terrifying prospect.

No matter how altruistic large donations are claimed to be, I seriously question that any political donation is without self-interest. In view of the potential for uncapped and undisclosed donations (in cash or kind) to distort democratic processes there should be limits on the ability of the rich and powerful to influence the outcomes of political contests.

In a democracy, no form of sponsorship of electoral/political processes, overt or covert, should be left to individuals or collective bodies. A licence for vested interests is a licence for corruption.

I submit therefore,

- (1) That only natural persons whose names are on a public electoral roll should be allowed to make political/electoral donations
- (2) That an individual's annual donations to political parties in aggregate should be capped at the quantum of median annual personal income
- (3) That an individual's donations towards a specific electoral or other political campaign should also be capped at the quantum of median annual personal income
- (4) That their own donations intended to be directed towards a candidate's electoral campaign should be similarly capped
- (5) There should be public disclosure of all annual or campaign donations above the quantum of median weekly personal income