



**GETUP SUBMISSION TO THE
COMMONWEALTH ELECTORAL
AMENDMENT
(DONATION REFORM AND OTHER
MEASURES) BILL 2020 INQUIRY**

GetUp welcomes the opportunity to make a submission to this inquiry and we support this Bill as a step toward comprehensive electoral finance reforms. GetUp has been a strong advocate for lowering the donation disclosure threshold and greater donation transparency as a part of our longstanding campaign for democratic integrity reforms.

This bill is only a first step and more comprehensive reform is needed - particularly the introduction of expenditure caps on electoral expenditure. Expenditure caps are a vital reform to restore trust in democracy. If you can limit the amount of money political actors can spend, you limit the amount that they have to fundraise and thus the corrupting influence of large donations.

GetUp's vision for our democracy

We believe that everyday people working together and chipping in what they can afford to help create the change they want to see is democracy at its very best. Australia must rebuild a completely transparent system of political finance that amplifies the small donations of everyday people.

GetUp believes these reforms should cover political parties, independent candidates, associated entities, and political campaigners - such as GetUp, the Minerals Council of Australia, and the Business Council of Australia.

Together, these reforms will help to foster a rich diversity of voices whether they be political parties, candidates, charities, non-profits or individuals, competing in a vibrant battlefield of ideas – a vision set out in our Constitution's guarantee of representative government.

Five point plan to rebuild our democracy:

Stop the money game: Cap the amount any individual or corporation can donate per financial year, and introduce expenditure caps on election campaigns to remove incentives to amass huge political fighting funds.

End the shroud of secrecy: Lower the threshold for donation disclosure, and to be disclosed in real-time, including donations to and from affiliated entities.

A corruption watchdog with teeth: Create an independent federal corruption watchdog with broad investigative powers.

Close the revolving door: Prevent Members of Parliament from engaging in lobbying work while they are in office and for a period of three years after they leave office.

Disinformation: While upholding the principle of Freedom of Speech, political actors must be held accountable for disseminating misleading material. This is an area of concern for GetUp and more consultation needs to be undertaken.

GetUp and Transparency

GetUp goes above and beyond our legal and regulatory requirements for transparency, and is more transparent than political parties.

Since the introduction of the *Electoral Legislation Amendment (Electoral Funding and Disclosure Reform) Act 2018*, GetUp's disclosure requirements with the AEC as a Political Campaigner are the same for political parties and associated entities.

But GetUp also takes additional voluntary steps, such as having a lower threshold for disclosing large gifts and real-time disclosure of ALL income. We disclose all donations over \$10,000, whether they are one-off donations or in aggregate.

GetUp's donations are transparent, and while it certainly opens us to increased scrutiny, we believe it's the standard that all major political players should meet. You can log on to our website at any time and see a real-time snapshot of what our members are up to and how much has been donated.

GetUp strongly supports lowering the donation disclosure threshold, aggregating donations and the 7-day disclosure period.

GetUp believes this Bill can be a good step towards comprehensive reforms that include expenditure caps on electoral expenditure. These reforms are essential to restore community confidence in our democracy, which has eroded over the last decade. Political parties in particular have been able to hide the source of their donations under the current indexed threshold (currently \$14,000 for the 2019/2020 financial year). According to media reports, over \$100 million in donations to Labor and the Coalition parties was hidden from the public view.¹

While GetUp is in a position to disclose in real-time, we recognise that is a potential burden on many third-parties. This bill could have unintended consequences in stifling third-party participation in elections. The current requirement for registration for a third party is linked to the donation threshold and because the bill lowers it, the threshold for registration is also lowered. This nexus is completely arbitrary and illogical and should be done away with regardless, but this bill amplifies the problem. GetUp recommends an amendment to set a separate, appropriate threshold for third-party registration which is not linked to the donation disclosure threshold.

1

<https://www.theguardian.com/australia-news/2020/feb/11/more-than-100m-donated-to-political-parties-from-hidden-sources-in-election-year>

The definition of gift should also be amended to capture sizable membership fees or levies for organisations. Currently, corporations are able to make massive, undisclosed 'donations' in the guise of membership fees to industry bodies like the Minerals Council of Australia or the Business Council of Australia which are then used on election campaigns. We urge amendments to this bill for these 'gifts' to be disclosed and reported on.

GetUp gives qualified support to the AEC Disclosure Portal

GetUp supports the idea of the AEC Disclosure Portal as a way to ease the compliance burden as well as increase transparency. However, GetUp does not support this portal acting as a funnel for gifts and does not believe the AEC should administer reporting entities' bank accounts.

GetUp also does not support the requirement for separate electoral expenditure accounts. The requirement for a separate bank account is not only unnecessary and illogical, but it makes compliance with the law practically impossible at worst or impractical and ridiculously onerous at best. All the aims of this bill can be achieved without the requirement for separate bank accounts.

GetUp supports more timely reporting on donations

It is a blight on our democracy that political parties and their donors are able to hide behind an annual reporting period. With the election calendar this often means that donations for an election campaign are reported 9 to 11 months after an election. GetUp welcomes a six-monthly reporting schedule.

GetUp supports increased investigative and enforcement powers

Despite the fact that GetUp has been subjected to three investigations regarding our independence by the AEC, we welcome moves to increase the AEC's investigative and enforcement powers. However, these powers need to come with greater accountability and transparency. GetUp does recognise that this role could be filled by a National Integrity body which we also support.

GetUp supports a lower threshold of anonymous gift

However, this threshold should be set at \$100 to be in line with state jurisdictions.

Conclusion

GetUp supports many aspects of this bill and welcomes the discussion on the aspects that it doesn't support. However, we would prefer a more comprehensive approach to donation and electoral reform, as well as a harmonised approach to state and territory legislation. One of the biggest costs of compliance is the differing laws across jurisdictions and GetUp welcomes attempts to harmonise those laws.

However, this bill is only a first step and more comprehensive reform is needed - particularly the introduction of expenditure caps on electoral expenditure. Expenditure caps are a vital reform to restore trust in democracy. If you can limit the amount of money political actors can spend, you limit the amount that they have to fundraise and thus the corrupting influence of large donations.

GetUp is happy to assist the committee further in its inquiries.