



C/- Reichstein Foundation

27 September 2018

Committee Secretary
Joint Standing Committee on Electoral Matters
PO Box 6021
Parliament House
Canberra ACT 2600

By email: em@aph.gov.au

Dear Sir/Madam,

Inquiry into the proposed amendments to the *Electoral Legislations Amendment (Electoral Funding and Disclosure Reform) Bill 2017*

We thank the Joint Standing Committee on Electoral Matters (JSCEM) for the opportunity to make a submission to the inquiry into proposed amendments (the amendments) to the *Electoral Legislation Amendments (Electoral Funding the Disclosure Reform) Bill 2017* (the Bill). In doing so, we are strongly supportive of the submissions being made by Philanthropy Australia and this submission closely reflects the views of our peak body.

We welcome the way in which the Australian Government has responded to the recommendations of the previous JSCEM Inquiry into the Bill. Advocacy by charities is essential to our democratic system of government and should therefore be encouraged by Government through a supportive policy and regulatory framework.

At the same time however, there is a strong public interest in ensuring the transparency and integrity of our electoral system. Therefore, appropriate measures are necessary to promote this transparency and integrity, including well targeted disclosure requirements on third parties which undertake electioneering activities that are specifically focused on influencing how people vote.

Our principal concern was focused on a highly flawed definition of 'political expenditure' which could capture much of the issues-based advocacy which charities undertake and which philanthropy funds. It also threatened to impose significant new compliance burdens on these charities.

The proposed amendments which are the subject of this Inquiry are therefore very welcome, and address many of the concerns which have been raised about the Bill.

We are supportive of the following proposed changes:

Definition of political expenditure

The previous definition of 'political expenditure' was potentially very broad, cumbersome and potentially inhibited advocacy on public policy issues by charities. We therefore welcome the new definition of 'electoral expenditure' which is much more narrowed and clearer than the definition of political expenditure, specifically focussing on electioneering activities whose dominant intent to influence the way electors vote in a federal election.

Increase of Political Campaigners threshold

We are pleased that the threshold for Political Campaigners will be increased to cover those who incur electoral expenditure of \$500,000 or more in the current or past three financial years, instead of the former \$100,000 limit, which we believed to be far too low.

Non-compliance penalties

The original draft amendments included very excessive penalties, with financial controllers of third parties or political campaigners which breach the law liable for civil penalties that were completely disproportionate to the offence and in some cases even being liable for extended prison sentences. We believe that the new civil penalties in the amendments are more appropriate and proportionate.

International philanthropy funding advocacy

With the new definition of electoral expenditure, we are hopeful that international philanthropy will be able to continue to support issues-based advocacy of Australian charities.

We appreciate the responsiveness of Ministers, Shadow Ministers, crossbenchers and members of the JSCEM regarding our concerns.

We would welcome the opportunity to discuss the matters raised in this submission further. In this regard, please do not hesitate to contact John Spierings, Executive Officer, Reichstein Foundation on (03) 9614 0919.

Yours Sincerely

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