



Parliament of Australia

# Joint Standing Committee on Electoral Matters

## FACT SHEET

### Report on political funding

Issued: 9 December 2011

Chair: Mr Daryl Melham MP

## FACT SHEET: PRIVATE FUNDING

### Report on the funding of political parties and election campaigns

Disclosure should remain a central pillar of Australia's political financing arrangements.

The committee has made a number of recommendations aimed at enhancing the transparency and accountability of the Commonwealth funding and disclosure scheme. The focus of the proposed reforms is increasing the frequency of reporting and the amount of information required to be disclosed, and to ensure the laws are able to be properly enforced.

<b>Private funding</b>		
<b>Features</b>	<b>Current scheme</b>	<b>Proposed approach</b>
Donation caps	None	Same
Bans on donations	Political parties cannot receive anonymous donations above the disclosure threshold Loans that exceed the disclosure threshold can only be received by political parties, candidates and Senate groups if specified details are kept, both in relation to loans from financial and non-financial institutions	Same Ban all anonymous donations above \$50 <b>(Recommendation 11, page 87)</b> Ban all 'gifts of foreign property' <b>(Recommendation 10, page 85)</b> No bans on particular industry sectors. Concerns about specific industries such as tobacco can be addressed through current self-regulation practices under which some political parties have chosen not to accept donations from that industry
Disclosure threshold	\$10 000, CPI indexed (\$11 500 for 2010-2011 financial year)	Reduce disclosure threshold to \$1 000 and remove indexation, to enhance transparency of the flow of money to political parties, candidates, Senate groups, associated entities and third parties <b>(Recommendation 1, page 50)</b>
Applying the disclosure threshold	Applies separately to each branch of a political party	Donations to 'related political parties' should be treated as donations to the same political party for the purposes of disclosure requirements. This will combat the practice of 'donation splitting' where donations under the threshold are made to each branch of a political party, which then could total in the tens of thousands but go undisclosed <b>(Recommendation 3, page 53)</b>
Fundraising events	The treatment of funds from fundraising events is currently unclear The AEC advice is that payments for attendance at a fundraiser should be disclosed by political parties or associated entities if the amount paid is in excess of the value of the services received or if the event is primarily a fundraiser	Amend the definition of 'gift' to include fundraising events to help improve transparency of attendees and money raised at these events <b>(Recommendation 4, page 58)</b>

<b>Private funding (continued)</b>		
<b>Features</b>	<b>Current scheme</b>	<b>Proposed approach</b>
Frequency of reporting	Annual returns and election returns	<p>Move to six-monthly reporting to improve transparency and timeliness <b>(Recommendation 6, page 66)</b></p> <p>Under the current system there is a considerable lag between the receipt of payment and it being disclosed to the AEC and made publically available</p> <p>Explore options for moving to contemporaneous disclosure <b>(Recommendation 8, page 67)</b></p> <p>Require disclosure of a single donation of over \$100 000 within 14 days of receipt, with details to be published on the AEC website <b>(Recommendation 7, page 67)</b></p>
Classification of items in returns	<p>Amounts received over the threshold must be disclosed by political parties and associated entities</p> <p>The AEC <i>requests</i> that these payments are classified into 'donations' (e.g. gifts) and 'other receipts' (e.g. membership fees, levies on MPs), but this is not a legislative requirement</p>	<p>Require political parties and associated entities to classify their receipts above the threshold as 'donations' or 'other receipts' to enhance transparency of the type of money being received</p> <p>Define the terms in the legislation</p> <p>Empower the AEC to investigate and enforce this requirement <b>(Recommendation 5, page 60)</b></p>
Public access to disclosure returns	<p>Returns are available for public inspection from the AEC</p> <p>Annual returns are available in a searchable format on the AEC website on the first working day in February</p> <p>Election returns are available in a searchable format on the AEC website 24 weeks after polling day</p> <p>On the form for individual donors, the following personal details are included and made available on the AEC website: Name, postal address, telephone number, email address and signature</p>	<p>Returns should continue to be available to the public</p> <p>Explore options for contemporaneous disclosure (which would likely be online through the AEC) to improve the timeliness of disclosure</p> <p>To enhance the privacy for individuals donors, reduce the details to be published on the website for individuals to: name, suburb, postcode, state and the amount donated <b>(Recommendation 2, page 50)</b></p>
Donor and political party reporting obligations	<p>Political parties are only required to aggregate individual receipts that exceed the disclosure threshold</p> <p>Donors must aggregate donations of any value made to political parties</p>	<p>Make disclosure requirements for political parties the same as those for donors</p> <p>Require political parties to aggregate donations of any value, as donors currently do, not just values that exceed the disclosure threshold, so that the requirements align, making enforcement and identifying discrepancies more efficient <b>(Recommendation 9, page 69)</b></p>

**For media comment:** Please contact the Committee Chair, Daryl Melham MP on 02 6277 2054 (Parliament House office) or 02 9774 2111 (Electoral office).

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