

Submission from the PHAA on funding of political parties and election campaigns

Public Health Association
AUSTRALIA

***Submission from the Public Health Association of Australia to
the Joint Standing Committee on Electoral Matters***

Inquiry into the funding of political parties and election campaigns

Seeking a more equitable democratic system for Australia is a public health imperative.

The Public Health Association of Australia (PHAA) is committed to fairer health outcomes for all Australians. It has become clear to us that inappropriate commitment of political donations provides an incentive to political parties to focus on the interests of business sometimes at the cost of community health. The clearest indication of this is that so many business donors contribute equally to the two major parties – providing an indication that they do not favour one ideology over another but seek to purchase political influence.

Committee Secretary
Joint Standing Committee on Electoral Matters
Department of House of Representatives
PO Box 6021
Parliament House
CANBERRA ACT 2600
AUSTRALIA

Phone: 61 2 6277 2374
Fax: 61 2 6277 4710
email: jscem@aph.gov.au

PHAA Contact: Michael Moore CEO

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Introduction

The Public Health Association of Australia Incorporated (PHAA) is recognised as the principal non-government organisation for public health in Australia and works to promote the health and well-being of all Australians. The Association seeks better population health outcomes based on prevention, the social determinants of health and equity principles.

Public Health

Public health includes, but goes beyond the treatment of individuals to encompass health promotion, prevention of disease and disability, recovery and rehabilitation, and disability support. This framework, together with attention to the social, economic and environmental determinants of health, provides particular relevance to, and expertly informs the Association's role.

The Public Health Association of Australia

PHAA is a national organisation comprising around 1800 individual members and representing over 40 professional groups concerned with the promotion of health at a population level.

Key roles of the organisation include capacity building, advocacy and the development of policy. Core to our work is an evidence base drawn from a wide range of members working in public health practice, research, administration and related fields who volunteer their time to inform policy, support advocacy and assist in capacity building within the sector. PHAA has been a key proponent of a preventive approach for better population health outcomes championing such policies and providing strong support for the Government and for the Preventative Health Taskforce and National Health and Medical Research Council (NHMRC) in their efforts to develop and strengthen research and actions in this area across Australia.

PHAA has Branches in every State and Territory and a wide range of Special Interest Groups. The Branches work with the National Office in providing policy advice, in organising seminars and public events and in mentoring public health professionals. This work is based on the agreed policies of the PHAA. Our Special Interest Groups provide specific expertise, peer review and professionalism in assisting the National Organisation to respond to issues and challenges as well as a close involvement in the development of policies. In addition to these groups the Australian and New Zealand Journal of Public Health (ANZJPH) draws on individuals from within PHAA who provide editorial advice, and review and edit the Journal.

Advocacy and capacity building

In recent years PHAA has further developed its role in advocacy to achieve the best possible health outcomes for the community, both through working with all levels of Government and agencies, and promoting key policies and advocacy goals through the media, public events and other means.

The nature of our membership based organisation means that the PHAA is not in a position to provide donations to political parties but, like so many other health related groups, seeks to influence

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governments, members of parliament and political parties through evidence based policies and appealing to the sense of public good that is a strong motivator for the majority of people entering parliament.

The issues

Donations do influence political parties

The PHAA believes that donations do influence political parties. It is so apparent to all who watch politics that we put the question: how could big donations not have an influence?

The influence of the tobacco lobby over the last few decades should serve as a catalyst for reforming the system of political donations across the country. This dire product has had a significant influence over the years in retarding the action of governments. If tobacco can have this level of influence what about other businesses such as land developers, pharmaceutical companies, gambling, alcohol or junk food businesses that are driven to put profit ahead of the public interest.

In modern politics party donations have the capacity to buy influence. Otherwise donations would be made to the one party that most closely aligned with the goals and aspirations of the donor. A quick scan of electoral declarations illustrates that the most common form of large donation is one that goes to both parties. The overwhelmingly dominant reason for donors taking this approach is to purchase access and influence. And it works.

The nanny state or a level playing field

The arguments that are put by these companies are always about public interest – freedom of choice, the “nanny state”, jobs and undermining freedom of speech. They rarely take the form of a cost benefit approach on the health damage that is being done at the community level. The real difficulty is not so much the arguments that are put – we believe that the evidence will mean that on a cost-benefit ratio the public health interest can be argued effectively. The challenge is dealing with the level of access that the companies have to people associated with the politicians – such as the workers within political parties who do have significant influence.

Those who argue “the Nanny State” wish to maintain their own level of influence. The PHAA seeks “a level playing field” which is the alternative concept.

As the community becomes more aware of the influence of political donations on elected members and their parties, the situation is becoming more untenable for those members who, when making a decision based on the evidence as they see it, are accused of acting in one way or another because of financial influence.

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Two specific examples

Two examples follow of the insidious nature of political donations in undermining democracy. The PHAA has chosen to use examples from Queensland and the Australian Capital Territory in order to distance the specific thinking and allow these examples to illustrate the matters of principle.

Queensland

In Queensland in 2009 Premier Anna Bligh witnessed former Labor Minister Gordon Nuttal being gaoled for seven years for corruptly receiving \$360,000 in secret commissions. The response saw the Premier wrestling with the pressure of inappropriate political donations in trying to clean up the taint of corruption associated with purchasing access to Ministers.

Memories of the corruption and cronyism of the Joh Bjelke-Petersen days seemed exacerbated by Labor 'mateship', special favours and the culture of 'you owe me, mate'. Queenslanders were particularly sensitive. It was only two decades since the Fitzgerald Royal Commission revealed widespread political, bureaucratic and police corruption. After nearly twenty years of silence, in 2009 Tony Fitzgerald launched a scathing attack on the ethics and accountability of the Queensland government.

http://www.parliament.qld.gov.au/view/legislativeAssembly/hansard/documents/2009.pdf/2009_08_04_WEEKLY.pdf P1303

Campaign dinners where business people spend multi-thousands of dollars to have dinner with a minister or other MP are currently the prime focus for Premier Bligh. Even though the money is not personal and goes to party coffers, purchasing access and influence in this way certainly has the smell of corruption. It might have been good politics for the Queensland Premier to focus on this issue rather than more fundamental issues such as limits on spending. Getting rid of the political fundraising business dinner suits Labor and in the long term will give them an advantage. Labor has a strong base of donations that come from the Unions. The Liberals and Nationals rely much more heavily on business donations, making them more vulnerable to this approach.

In calling for public comment Ms Bligh identified a series of specific issues. The first concerned the ethics of politicians. There are questions on disclosure, conflicts of interest, donations to parties and MP centred political fundraisers. The second included a question on limiting expenditure and is primarily about elections. Thirdly, lobbyists were also tackled in terms of registration, scope, codes of practice and regulations governing their actions. Additionally, the Premier recognised that there were also calls for comments on other areas of potential corruption including procurement, the public sector and the police.

The Australian Capital Territory

In the ACT the Labor party has long been dependent on gambling, alcohol and (to a much lesser extent) tobacco for funding the lion's share of its election campaigns. There has never been an elected Labor Member of the Legislative Assembly (MLA) who has declared this as a conflict of interest. Once pre-selected, it would have been difficult to have distanced themselves from the money as generic party advertisements, secretarial support and election materials were all centrally funded. However, there

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was always the appropriate opportunity to stand aside from voting on any matters that generated a conflict of interest for the elected MLAs.

The dependency of Labor comes from their very close relationship with the Labor Clubs that make their profits from poker machines and selling alcohol and tobacco. Since self-government there have been multiple millions of dollars injected into Labor election campaigns. The same money has been responsible for funding both Federal and Territory election campaigns.

This dependency on gambling money for Labor provides a challenge for the Liberal Party to be able to compete at elections. An examination of the donations listed on the ACT Electoral Commission website shows by contrast a much closer relationship of the Liberals in particular with developers. Neither are healthy.

Escalation in costs of elections

The arguments put by the PHAA are not about one party or the other – but rather about the escalation of competition to run more and more effective electoral campaigns.

It is the escalation of need for funding that drives the need for donations and is the matter that should be addressed as the highest priority. However, other priorities do exist and it is important that the influence that businesses and individuals seek to purchase through donations to political parties must be addressed. ALP National Secretary and campaign director, Tim Gartrell, summarised the problem of political donations and the conflict of interest on ABC's Lateline. He argued "the core thing that drives campaign directors to go out and raise lots of money is this arms race. You know the other side's out there doing it, you've got to match them". His discussion with Leigh Sales was as follows:

LEIGH SALES: The other big story of the week has been this question of political donations and access with the tremors from the Queensland situation spreading a bit further afield. Tim Gartrell, you wrote this week that when you were the National Secretary of the ALP, you realised at the time of the last election that the parties had raised and spent about \$80 million, and that the big money politics that plagues the US had arrived in Australia. What concerned you about that?

TIM GARTRELL: Well, it's just getting out of control, and the more of this sort of large campaign spending and fundraising that continues, the more we're going to go down that big money path. So, we've got to look - and what I was saying in that article, the context was that we've got to control campaign spending. People have got all these ideas about banning this and banning that, but the core thing that drives campaign directors to go out and raise lots of money is this arm race. You know the other side's out there doing it, you've got to match them. And that's the thing we've got to look at, in amongst a range of other things about disclosure and foreign donations and all the rest, that sits right at the core of it, in my view.

<http://www.abc.net.au/lateline/content/2008/s2649913.htm>

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Some Solutions

The model from NSW

We are fortunate that a model has been developed. The Labor government in the twilight of its term in NSW took action on political donations because they knew that the community understands the impact of this sort of money on governments.

The admission made by then Premier Christina Keneally in shepherding this funding reform through the NSW Parliament is that such donations do influence, they do have an insidious effect and as such tainted funds are entirely inappropriate to provide support for political parties.

Limits on electoral expenditure

The NSW approach of legislating limits on spending in elections at the same time as banning particular donations provides a blue print for protecting our democracy from this insidious influence.

In the widest ranging restructure of election funding in Australia the NSW Parliament agreed to restrictions on the amount of money spent by any party across the State election as well as the amount of money that can be spent in any individual electorate. Additional restrictions include expenditure by third parties seeking to influence elections.

There are questions on disclosure, conflicts of interest, donations to parties and MP centred political fundraisers. Additionally, there is the question of limiting expenditure around elections. Lobbyists also need to be considered further in terms of registration, scope, codes of practice and regulations governing their actions. Additionally, the Queensland experience suggests that there should also be consideration of other areas of potential corruption including procurement and relationships with the public sector.

Recommendations

1) The PHAA recommends that the Committee considers solutions that address:

- Limiting expenditure on elections
 - To prevent escalating needs for further electoral funding
- Purchasing influence
 - disclosure, conflicts of interest, donations to parties and MP centred political fundraisers
- Clear declarations to the electoral commission
 - Removing the loopholes illustrated by the gap in expenditure compared to the amounts declared.

2) The PHAA recommends that the Committee use the NSW legislation as a first step in forming recommendations that provide a block to this system that undermines our democracy

*Submission from the PHAA on funding of political parties and election campaigns***Conclusion**

The PHAA is concerned with the promotion of health at a population level. This includes, but goes beyond the treatment of individuals to encompass health promotion, prevention of disease and disability, recovery and rehabilitation, and disability support. This framework, together with attention to the social, economic and environmental determinants of health, provides particular relevance to, and expertly informs the Association's role. A key element in the Ottawa Charter for Health Promotion (1986) – a key health promotion document – is the importance of empowerment of individuals and groups within society. Anything that undermines the power of individuals and groups within society and particularly those who are socio-economically disadvantaged, undermines public health. It is therefore important that the PHAA plays a role in seeking to ensure the most effective democratic processes.

By the reforms made in the NSW Parliament there has finally been full acknowledgement of the inappropriate influence that large donations have on the political process. And it is not just the sin industries (gambling, tobacco, alcohol): the mining industry demonstrated its influence just prior to the last Federal election and the same is true for developers, banks and foreign investors. It is an admission that should rapidly be taken up with similar electoral reform being adopted in every jurisdiction and particularly with leadership at the Federal level so that Australians can be at the forefront of a genuinely fair and equitable democracy.

Michael Moore BA, Dip Ed, MPH
Chief Executive Officer
Public Health Association of Australia
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