

Sent: Tuesday, 24 June 2008 1:51 PM

To: Committee, EM (REPS)

Subject: Submission on Bill relating to "Political Donations"
Members of the Committee,

I am writing to you to put the following submission for your consideration during your deliberations on the "Commonwealth Electoral Amendment (Political Donations and Other Measures) Bill 2008".

As I understand it, the "old" Political Donations threshold, before it was increased by the Coalition in 2006 (?), was \$1,500. In 2006(?) the Coalition, rightly, increased this to \$10,000 and now the Government (Labor Party) want to reduce this down to \$1,000. As such, and before detailing my proposal, I would like to ask the rhetorical question "why isn't this form of donation indexed to the inflation rate and automatically increased periodically?". My response to this question is explored below with this suggested process:

Step 1: Trace back to when the original non-disclosure threshold of \$1,500 was set and gazetted

Step 2: Determine what the accumulated inflation rate has been since that date

Step 3: Index this non-disclosure threshold of \$1,500 to this new level for the current Bill

Step 4: Include in the Bill a clause which allows this threshold to be automatically indexed either on an annual, biennial or triannual basis.

Step 5: Set the maximum tax deductible donation level to a level, say, 10 times the non-disclosure limit in line with each automatic indexation increase.

If the \$1,500 figure that I've used above was correct, Labor in essence wants to reduce the maximum level of political donation which can be made before having to be disclosed. This would be a backward step when, with a bit of imagination and "community consultation", other legislative ways of controlling who can and can't make political donations could be explored in order to reach the same outcome with respect to the possibility of there being an expectation of "returning a favour".

I hope that the committee can arrive at some sensible and commonsense amendments to this Bill and that the Government doesn't use a sledgehammer to crack a nut, so to speak. The alternative would be to provide ALL candidates for an election with public funding at an equal level - ie regardless of whether the candidate is a new contender for a seat or the Prime Minister, they would all get the same dollar amount, no more, no less, and would have to construct their budgets around that funding. I would contend, however, that my alternative would not be a good option as it could be rather expensive on the taxpayer.

Regards,

Paul Myers

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