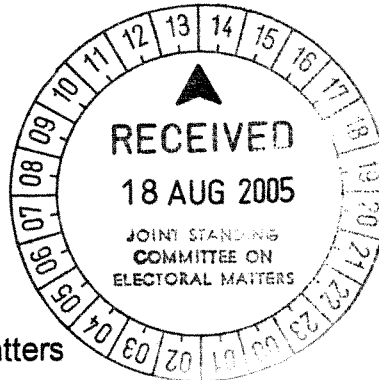


Joint Standing Committee on Electoral Matters	
Submission No.	195
Date Received	8/8/05
Secretary	SD



17 August 2005

The Secretary of the Committee
 Joint Standing Committee on Electoral Matters
 Parliament House
 CANBERRA ACT 2600

Dear Secretary

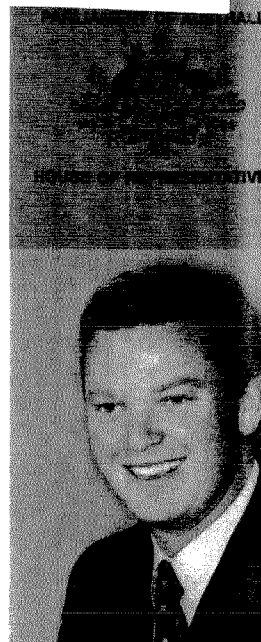
I write with respect to the current inquiry of the Joint Standing Committee on Electoral Matters into disclosure of donations to political parties and candidates.

My colleague, Mr Malcolm Turnbull MP has recently made a submission to the Committee which argues for a re-examination of the source of political donations. With his permission, I would like to associate myself with his submission.

On the 12th of June this year, an article of mine was published in the Adelaide *Sunday Mail* on this topic supporting the view that political donations from businesses and unions should not be allowed, and that donations should be restricted solely to individuals. I have enclosed the article for the consideration of the Committee.

Yours sincerely

Christopher Pyne MP



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Sunday Mail Column – Christopher Pyne – 12 June 2005

National election campaigns cost tens of millions of dollars. Literally, tens of millions. Voters have a right to know where all this money comes from.

In the Labor Party's case, it comes from the revenues of Centenary House in Canberra (the Labor Party's real estate port that has fleeced around \$26 million from the Australian taxpayer since 1993), as well as from unions, business, individual donors and the taxpayer.

In the Liberal Party's case, it comes from business, individual donors and the taxpayer.

The taxpayer contributes because every candidate that receives four per cent of first preference votes in a particular seat receives \$1.98 per vote from the taxpayer to pay for communicating with the electorate. In the case of major political parties this money is paid to the party itself, not individual candidates.

In a thriving democracy, the majority would argue that healthy political parties generally provide stability and in most cases better government than those countries with constantly changing political worlds.

These resources pay for the operation of political parties and for our election campaign spending.

At election time voters need to know what political parties stand for and so we get our messages out to people through the media and other methods.

All this costs money. How much it should cost depends on your opinion of political parties and polities – I won't try and sum up the broad range of feelings on that issue!

The question we can try and get agreement on is how this funding should be obtained.

Recently, some of my colleagues in the Liberal Party – Malcolm Turnbull from Sydney, Andrew Robb from Melbourne and Michael Yabsley, the former Treasurer of the New South Wales Liberal Party have been floating ideas for funding political parties in a different way.

One of those ideas is that donations to political parties from organisations and businesses be banned. In this scenario, donations would only be able to be received from individuals. There would be a limit of a maximum of \$10 000 in any year from any one individual.

There would be an immediate outcome from such a move – the spending by political parties on election campaigns would probably come down as it's likely less money would be available to spend by political parties. I would hazard a guess that that would be welcomed by the voters.

But there is a more fundamental principle at stake here.

At the moment, the unions give the Labor Party the majority of the funds the Labor Party has to spend. But whose money are they giving? Not their own. They are assuming that every member of their union supports giving their union dues to the Labor Party. But we know from research that the Liberal Party attracts a healthy percentage of union members' votes at election time.



For example, the Construction, Forestry, Mining and Energy Union donated \$200 000 to the Labor Party in 2004. Some would regard this as bizarre. The CFMEU represents timber workers in Tasmania. It was the Liberal Party that came up with a policy that protected both the old growth forests in Tasmania and the jobs of timber workers at the last election. Many of these same timber workers voted Liberal for the first time and the Liberal Party was successful in the seats of Bass and Braddon in Tasmania. Yet the union that represents these people financially supported the party that wanted to close down these timber workers jobs! If someone can explain that one, then please enlighten us all!

At the campus level, it is compulsory to be a member of the student union – if you don't pay the fee then you can't take home a degree. The National Union of Students spent around \$250 000 of these compulsorily acquired funds during the Federal election to bolster the Labor Party's campaign. Are they seriously trying to pretend that all members of their union vote Labor? Not when I went to uni.

At the very least, the union leadership should ask their members to vote in a secret ballot as to whether the union should donate to the Labor Party and if so how much. If they really wanted to be fair they should ask their members in the same ballot if they want to donate to the Liberal Party and if so how much. Now, I'd like to see that!

Christopher Pyne is the Member for Sturt in the Australian Parliament.

