



To: Joint Standing Committee on Electoral Matters
Re: Inquiry into the 2007 Federal Election

Dear Committee members,

We welcome the opportunity to make a late submission to your committee's inquiry into political donations and electoral funding. We have written to the Prime Minister and Special Minister on this issue, and they assured us that our concerns and suggestions would be considered in the review process via the Green Paper discussions. We are also pleased to be able to address these comments to you in relation to the 2007 Federal Election as indicated in your Terms of Reference.

Action on Smoking and Health (ASH) Australia is a non-government health promotion charity founded by The Cancer Council NSW and the National Heart Foundation. The aim of ASH is to reduce tobacco diseases, disability and premature deaths caused by tobacco products.

We and many other organisations and individuals are concerned that the current Australian political financing system creates inequities between people and between parties and undermines our democratic process. Large donations to parties are damaging public confidence in government – influence that ordinary people and community groups cannot afford.

There is also inconsistency between federal, state and territory laws that we feel could be corrected by appropriate federal co-ordination.

Political donations have created distrust and a public perception that governmental decisions are skewed towards wealthy interests and against independent evidence and wider public interest. We have encountered many examples where the power and influence of the tobacco industry and the gambling lobby have resulted in delays and a “dumbing down” of health policies that were strongly supported by evidence, by the advice of authorities in public health and health economics, and by public opinion. The direct consequence of dilution of policy change has been harm to the community – especially to, but not limited to, the most disadvantaged.

Areas of policy in which we believe this has occurred have included:

- Legislation on graphic/pictorial health warnings on tobacco packets, weakened and delayed after representations by tobacco companies to the federal government.
- Changes in smokefree workplace and public place laws, delayed and weakened by the influence of tobacco companies and/or tobacco-related hotel and gambling interests on state and territory governments.
- Laws on the display advertising of tobacco products in retail outlets, also delayed and/or weakened by the influence of tobacco retailing bodies on state/territory governments.

While other countries including New Zealand, Canada, Germany and the UK have acted to reform electoral funding, Australia in recent years has lagged behind - and even in some

senses moved backwards – particularly under the previous government, when the annual limit for secret donations was increased to \$10,000.

Because of these concerns and after consultation with experts and other non-government organisations, Action on Smoking and Health (ASH) recommends the following reforms:

1. Measures to increase transparency in the source of donations, including:
 - (a) prompt and transparent reports at least quarterly and in the month before an election, to a public website maintained by election funding authorities;
 - (b) requirements for party committees or other fundraising bodies to state the sources of their donations; and
 - (c) a requirement that all funding disclosures must be accompanied by a report from an accredited auditor.
2. Limits on donations – we suggest that this be no more than \$1,000 per year per donor.
3. A total ban or at least limits on political donations from organisations, including private and publicly traded corporations and trade unions.
4. A total ban on donations from foreign or trans-national entities.
5. Caps on total electoral spending by all parties and all candidates; and tighter controls over “independent” campaign spending by the supporters of political parties and candidates.
6. An independent committee to monitor all government advertising campaigns and ensure that public funds be spent for a reasonable purpose.
7. Monitoring of public information campaigns from parties and members to ensure that allocated funds are disbursed throughout the electoral cycle rather than in the pre-election period.
8. In local government, introduction of public funding, conditional on compliance with caps on private funding and transparent disclosure prior to elections.
9. All initiatives in relation to public funding matched by audit, so that funding is spent for electoral purposes – to prevent the emergence of “for profit” candidates for office.
10. Electoral reform to be added to the national agenda for action including meetings of the Council of Australian Governments.

These initiatives should be matched with suitable, increased penalties for breaching political funding laws, and adequate funding for electoral funding authorities to enforce these laws.

Reform of our political donations system is long overdue. We look forward to hearing what recommendations this inquiry can make to the Australian Government to create a better democratic process.

Yours sincerely,



Anne Jones

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