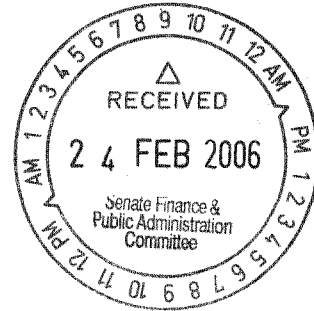


Senator Brett Mason
Committee Chair
Senate Finance and Public Administration Committee
Department of the Senate
Parliament House
Canberra ACT 2600

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**SUBMISSION REGARDING THE ELECTORAL AND REFERENDUM AMENDMENT
(ELECTORAL INTEGRITY AND OTHER MEASURES BILL) 2005**

The ALP welcomes this limited opportunity to provide some commentary on the flaws of the *Electoral and Referendum Amendment (Electoral Integrity and Other Measures Bill) 2005* ("The Bill"). The ALP believes that the Bill, if passed in its current form, will severely curtail voting rights and lead to potential political corruption.

Many of the issues which are raised in this submission have also been raised in previous submissions from the ALP National Secretariat to the *Joint Standing Committee on Electoral Matters (JSCEM)*. I have attached our two most recent submissions to JSCEM for the information of members. Many of the comments in these submissions remain valid.

At the outset, the ALP would like to state that it believes in a fair and transparent electoral regime, with an independent AEC supported by clear legislation which provides for scrutiny of party, corporate and individual returns and donations. We support the enfranchisement of all eligible voters and support measures which encourage all voters to cast a vote on polling day, or using pre-poll or postal vote options if they can't attend a polling booth on the day.

The ALP would like to raise with the legislation committee the following key points about the Bill under consideration:

- The unjustified raising of the disclosure threshold for political donations from \$1,500 to a yearly, indexed amount, starting at \$10,000.
- The expense which will be carried by the taxpayer by making donations of \$1,500, from individuals and corporations, tax deductible.
- The restrictions on some of Australia's most disadvantaged voters from the draconian early closure of the roll proposed in the Bill.

- The ease with which people will be excluded from voting if they do not possess a drivers licence, despite no evidence of substantive electoral fraud.

There are other matters in this Bill which are deserving of criticism, however the ALP will limit this submission to the above points.

Raising the Disclosure Threshold to \$10,000

Part XX, Division 4 of the *Commonwealth Electoral Act 1918* governs political donations. These provisions currently provide a fair balance between optimum disclosure and practicability, with the vast majority of political donations disclosed without making people disclose small donations - adding to the administrative burden of the Australian Electoral Commission (AEC). Labor believes that the current disclosure regime adequately protects the integrity of the democratic process.

The ALP believes that elections should be conducted in the public realm, with all parties' expenditure and fundraising accounted for, disclosed and open to scrutiny.

We have strong concerns that raising the disclosure threshold to \$10,000 will weaken the democratic process and potentially lead to corruption.

Under the current regime Australian voters have a right to know that:

- The Gerard Corporation donated \$5,000 to the Liberal Party, former member of the Board of the Reserve Bank.
- Phillip Morris donated amounts of \$10,000 and under to the Liberal Party in the states and nationally.

If this Bill is passed then that information will no longer be public.

The ALP believes the Bill will radically alter the way donations are accounted for, with the Liberal-National Coalition likely to become a major beneficiary of increased, secret donations from wealthy individuals and corporations.

The ALP estimates that more than 80% of all donors to the Liberal Party will now escape disclosing their interest in Australia's political process. This is based on the recently released figures from the AEC for 2004-05 under the current regime, and do not take into account potential legal contrivances which may be employed under the new legislation to further limit disclosure.

Many donors view making a monetary contribution as a part of their civic duties. Many give fairly to all major political players and do not have an issue with disclosing their contribution. All do so understanding that these donations will be disclosed. These changes create the potential for unscrupulous donors to attempt to purchase political influence and influence electoral outcomes. This should correctly be viewed as an attempt by the Coalition Government to entrench their fundraising advantage and increase their advertising spend for the next election.

This will affect fairness in the electoral contest, and undermines the integrity of the vote.

Tax-deductibility of donations under \$1,500

The Bill proposes to raise tax deductibility for all donors from \$100 to \$1,500. Hidden in this amendment is a change that will allow companies to claim deductibility, whereas individuals could only claim it previously. Independent candidates will also be able to receive a deduction.

The ALP supports public funding for electoral contests, based on the demonstrated electoral appeal of a political party. Public funding has contributed to the stability of Australian democracy since it was introduced in 1984. Under the current system parties must cross the 4% threshold in order to receive any funding. This is a fair way to support legitimate parties to compete in a democratic election.

By contrast, the tax-deductibility provisions proposed by this Bill are designed to distort political processes and provide tax-payer funded donations to those parties which can generate the most in private donations. The Liberal-National Coalition has provided little evidence to support this, other than for partisan advantage.

The ALP is strongly concerned that, in conjunction with the \$10,000 disclosure limit, this measure will be used to buy access to political parties for political agendas which the proponents would rather not see in the public realm. The tax-deductibility will be an added financial bonus for such people.

It should also be noted that by expanding deductibility to now cover non-sitting independents, these provisions open the door to personal profiteering by unscrupulous independent candidates who have little chance of securing election.

Draconian early roll closure

The current legislation allows for a 7-day period of grace after an election writ is issued for people to enrol to vote, and to update any information on the electoral roll which may be out of date. These provisions are in place because it is recognised that many people do not focus on an election until the media scrutiny and commentary surrounding the calling of an election begins. These provisions allow legitimate voters an opportunity to amend their details, or for new voters to get on the roll.

According to the AEC, 280,000 people enrolled to vote in 2004, in the seven days between the issuing of the writs and the closing of the roll. Given that the roll will now close for new enrolments on the day writs are issued, and for the updating of details three days after this, it is possible that hundreds of thousands of people will be denied a vote. This will particularly be the case for young people wishing to enrol and vote for the first time. On this point, the ALP awaits an indication from the AEC of the measures that they will now be undertaking to ensure that as many young Australians as possible are enrolled well before the calling of an election.

The ALP rejects the Government's assertion that the exceptions provided in the legislation are adequate to protect people's voting rights.

Identity requirements and lack of evidence of fraud

The ALP bases its opposition to these provisions on evidence provided by the AEC. In the decade from 1990-2001 the AEC only found 71 cases of electoral fraud and only pursued to prosecution 8 cases. As former Special Minister of State Eric Abetz has stated "there is little evidence of fraud in our electoral roll." There has also never been an instance of fraud where the outcome of the election was affected.

Despite this, the Government is now imposing stringent identity requirements on those wishing to enrol to vote.

The need to produce a drivers licence, or if the person does not possess one another form of identity, will create needless confusion and complication for enrolment. The presumption that everyone has a drivers licence is also false as figures from state agencies attest.

These provisions also make no account for the number of changes of address young people may experience between elections. Instead of assisting young people to participate in the democratic process, the Government is attempting to disenfranchise young voters with needless red-tape which will operate as a disincentive for people to bother enrolling.

Concluding comments

Labor believe that the *Electoral and Referendum Amendment (Electoral Integrity and Other Measures Bill) 2005* is a partisan bill designed to unfairly entrench Liberal-National Party dominance in federal elections. It is another indication of a government using its Senate majority to ram through legislation, against the national interest. It is a clear case of a government that prioritises securing secret political donations over protecting Australian's right to vote.

The ALP is concerned that this bill will take Australia further towards the 'big money' model of campaign politics other western democracies are trying to restrain. Rather than there being bipartisan agreement on what is in the best interests of the democratic process, it is now clear that the Liberal-National Coalition will use whatever electoral device they can to secure political advantage. We remain implacably opposed to this.

Yours sincerely



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