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SUBMISSION TO THE

JOINT STANDING COMMITTEE ON ELECTORAL MATTERS

INQUIRY INTO THE 2007 FEDERAL ELECTION

By the

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The Eurobodalla Greens appreciate this opportunity to make a submission to the Joint Standing Committee on Electoral Matters, Inquiry into the 2007 Federal Election. As a local Greens group we view the issue of corporate donations to political parties as a grave threat to the democratic process in this country and it is for this reason that the Eurobodalla Greens and NSW Greens do not accept corporate donations of any sort.

### **The Purpose of Political Donations**

While the various political parties would claim to be representative of the electorate as a whole, it can still be argued that they each broadly represent various sections of the community in our purportedly pluralist democracy i.e. Liberals – business and development, Nationals- agricultural sector, Labor – unions, low income individuals and the Greens – environment and social change movements. Many individuals and companies donate to the political party that they believe will act in their best interests. Whilst this is understandable, the greater financial capacity of some donors results in their ability to gain personal access to politicians thus affording them many more opportunities to influence decision making. The vast sums donated to the major political parties show just what a high stakes game this is. According to the Democracy4sale website party political donations for the period 2006/2007 alone were as follows:

Federal Liberal Party	\$4,279,481
Federal Labor Party	\$3,111,214
Federal National Party	\$ 374,955
Australian Greens	\$ 154,274

Why should corporations donate such large amounts to political parties? Brendan Crotty, Managing Director of Australand was reported in The Australian (23 April 2003) as describing the company's political donations as '*part and parcel of doing business*'. In NSW, the State Labor Government has been the beneficiary of \$4,768,225 in political donations from the property development industry during the three years 2003-2006 (Democracy4sale website). In the same period the government has made major legislative changes to planning laws to fast track development applications and has designed Regional Strategies and a Biodiversity Banking and Offset Scheme that will facilitate even more commercial and residential development at the expense of the environment. For the property development industry this appears indeed, money well spent.

### **The Existing System**

## **1. Lack of Transparency**

There are many areas in which the current disclosure laws are lacking. As a result of the recent changes to disclosure limits by the previous Howard Government an individual, company or organization is obliged to declare money or gifts in kind of \$10,000 or more a year, and these amounts in turn are only reported many months after a federal election is held. There is also a major problem regarding lack of transparency in the declaration of donations by various Associated Entities. Indeed, there are arrangements whereby fundraising bodies and trusts are able to hide substantial contributions and situations will arise where anonymous donations can effectively be laundered through the political system in such a way as to avoid public scrutiny. Whilst the situation is not as extreme in the State sphere the same lack of transparency exists.

## **2. Local Government**

Currently in local government elections, voters are not provided with information on who is funding the candidates prior to an election, and no public funding is available for local council elections. This results in groups of candidates with close connections with local business and developer interests accruing far larger war-chests than community based groups can hope to acquire. Leading to larger advertising budgets and greater public exposure. It is particularly disturbing that developers who contribute to Local Government campaigns can then expect to have their development applications approved or otherwise by the recipients of their campaign largesse. This circumstance is ripe with potential conflicts of interest if not outright corruption and should be remedied immediately.

## **5. Taxpayer funded party political advertising**

The Eurobodalla Greens also notes with concern the increasing use of taxpayer funded party political advertising in the lead up to elections. The previous Howard Government was particularly profligate in this area running many so called 'information campaigns' to promote/defend Coalition policy. The NSW State Government is currently running advertisements promoting the benefits of proposed electricity privatisation knowing full well the unpopularity of this policy in the electorate. This practise should cease immediately. In line with the call by the NSW Auditor-General's Report on Government Advertising (tabled 29 August 2007) "*for more public information on what is spent on government advertising, and for more rigorous guidelines to help prevent government advertising being used for party political purposes*", we suggest the appointment of an independent committee to scrutinize all government-advertising campaigns to restore public confidence in the political process and stop wasting taxpayers' money. The committee should oversee all government advertising and ensure that it is for important and genuine public education purposes only.

## **Changes to Federal Electoral Laws**

The Eurobodalla Greens welcome the current Federal Governments inquiry into electoral matters and it's expressed intention to reduce the minimum reportable limits on political donations from it's present \$10,000 back down to \$1,500 and the scrapping of the early closure of electoral rolls. We could suggest further tightening to disclosure rules but feel that the issue is of such importance that the public would see any form of mitigation as merely window dressing. Our democracy is in danger of being swamped by big money from large corporate and special interest groups (i.e. unions). We would therefore strongly urge the inquiry to:

1. Banning all political donations by corporate, special interest groups and third parties.
2. Implement a system of public funding for elections, with caps on that funding of \$500,000 for each registered party, applicable only to federal party at a federal election, state party at a state election. \$50,000 for groups and individuals.

3. A cap on donations by individuals of \$2,500 for non-party members and \$5,000 for party members in any calendar year.
4. Quarterly disclosure of all private donations (with name and address provided) on a register to be maintained by the Australian Electoral Commission on its website. Minimum reportable amount of \$200.00 applicable to parties, groups and individuals.
5. Mandate 5 minutes 'free time' on the ABC and SBS each week in the lead-up to federal election commencing when electoral writs have been issued, for an election broadcast by all registered political parties.
6. Ban all political donations from all non-residents and overseas-based corporate and special interest groups.

### **Conclusion**

The Eurobodalla Greens believes that the current electoral and political party funding arrangements are in urgent need of a major overhaul. The public perception currently is that we have the 'best democracy money can buy'. This leads to a distortion in the decision-making process whereby sectional interests override the public good. It is leading to alienation and disenfranchisement of individuals (both actual and perceived), and thereby threatening the social contract that our democracy relies upon.

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