

7 October 2022

Committee Secretary
Joint Standing Committee on Electoral Matters
Parliament House

Dear Committee Members,

Inquiry into and report on all aspects of the conduct of the 2022 federal election and matters related thereto

Thank you for the opportunity to provide a submission to the Joint Standing Committee on Electoral Matters (**Committee**).

The #OurDemocracy campaign is a movement of 13,000 people and 56 diverse charities and community groups from all across Australia. Our purpose is to achieve a democracy in which people and the planet, not profits, come first.

We believe the way to achieving a strong democracy in Australia, is to pass reforms that align with our [Framework for a Fair Democracy](#). We are heartened to see that a good many of the Framework's asks are included in the Terms of Reference for this inquiry.

Specifically, this submission addresses the need for election spending caps and greater transparency for political donations. It also argues for caps on political donations, because until we have them, our democracy cannot be free of undue influence and corruption.

This submission is co-signed by 25 organisations which are listed below. However, this submission does not override the policy positions outlined in any individual submissions from these signatories.

While the focus of our submission will be on these aspects of our federal election funding and disclosure system, we believe that a healthy democracy requires a level playing field for candidates to run and be elected based on merit. It's important that election fundraising and spending caps be considered as part of broader reform of our electoral system so as to not inadvertently impact on opportunities for independents and minor parties to run.

Finally, we encourage the Committee to consider reforms to introduce standards of honesty in election campaigns. We need to introduce penalties for politicians and other campaigners who clearly and deliberately mislead the Australian public in an effort to influence the election result.

The case for election spending caps

By global standards, Australia has a strong democracy: our voter turnout rates are the fourth highest in the world;¹ we are ranked 11th highest for rule of law;² and our political stability is rated consistently highly.³ While the world is rapidly changing and destabilising around us, these are things to be proud of and grateful for.

But on other metrics, Australia is slipping. Earlier this year, Transparency International revealed that our country had returned its worst result ever in its annual Corruption Perceptions Index.⁴

And it's no wonder when our laws permit multinational companies to give millions to the major political parties to buy access and influence over our politicians. No politician wants to regulate an industry that funds their election campaign, no matter how much the community is calling for change.

We're also lagging well behind other liberal democracies — and Australian states and territories — in regulating election spending. Two-thirds of European countries limit the amount a candidate can spend on an election campaign, and overseas jurisdictions most similar to Australia — the United Kingdom, Canada and New Zealand — all cap election spending. In Australia, Queensland, New South Wales, the ACT and Tasmania's upper house all have election spending caps.

Our communities and our planet are suffering as a result. Harmful industries, like gambling, fossil fuels and tobacco have been able to dictate public policy by spending millions in

¹ <https://worldpopulationreview.com/country-rankings/voter-turnout-by-country>

² <https://worldjusticeproject.org/rule-of-law-index/country/2020/Australia/>

³ <https://power.lowyinstitute.org/data/resilience/institutional-stability/political-stability/>

⁴ <https://transparency.org.au/worst-ever-corruption-score/>

campaigns against politicians who dare to regulate them.⁵ Election spending caps will protect our elected representatives from reprisal when they have the courage to stand up for our communities against harmful industries. They will lead to bolder policy and better health outcomes on a range of issues.

And without spending caps, billionaires will continue to dominate our airwaves and social media, using just a fraction of their wealth. And while they haven't always been especially successful in previous federal elections, the next billionaire may be.

How spending caps should work

Election spending caps are needed on a per electorate, State, Territory and national basis. The level of the cap should be lower than the current spending levels of the major parties, which already puts a fundraising strain on their candidates.

The level of the caps should also be guided by principles of political equity. For instance, the figures should take account of the amount that a person could feasibly raise with the support of lower income communities in their electorate. No candidate should need millionaire donors in order to run.

This should be balanced by the consideration that incumbents with a high profile, such as cabinet ministers, get a lot of media coverage for free. To reduce this inherent advantage, the election spending cap needs to be sufficient to allow a non-incumbent candidate to spend enough to achieve broad name recognition in their electorate. For the same reason, the Committee should consider allowing a higher spending cap for independents and small parties, which will typically never benefit from such coverage, nor from the significant levels of public funding given to the established parties.

The spending caps should also allow for adjustments based on the cost of election ads in each electorate, which varies widely, particularly between urban and regional electorates.

Further, the spending cap should apply for about 12 months before polling day.

Finally, election spending caps should also apply to third parties and significant third parties. Given there are many more third parties than political parties, it is reasonable to make the spending cap for third parties and significant third parties lower than for candidates and political parties, providing that third parties are permitted to operate under their own caps even when acting in concert on the same campaign.

⁵ [Human Rights Law Centre, Selling Out: How powerful industries corrupt our democracy, January 2022.](#)

The case for political donation reform

The regulations that govern donations to federal politicians are the weakest in the country. In states like Queensland and NSW, donations of a couple of thousand dollars need to be disclosed regularly, and large donations to political parties (over \$6,000) are prohibited altogether. By contrast there's no limit on how much big donors can give to our federal politicians, large donations (over \$15,200) only have to be disclosed once a year, and many contributions don't have to be disclosed by donors at all.⁶

We need more transparency for federal political donations, including real time disclosure and a lower disclosure threshold. We also need to close the loopholes, by ensuring that all payments, be they for membership to a business forum or entry to a fundraising event, are disclosable by donors as "gifts".

Transparency reforms should not impact charities and community groups disproportionately merely because they rely on donations for their advocacy. The disclosure threshold should not be lower than \$2,500 for third parties, and they should not have to disclose their spending unless they have incurred a total of \$20,000 or more on electoral expenditure that year.

In addition, the significant third party amendments made late last year need to be scaled back. Compliance with these laws is so complex, that the threshold of \$250,000 electoral spending operates as an effective cap on charity spending.

Finally, the Committee should recommend that caps on donations to candidates, political parties and associated entities also be introduced. The corrupting influence that large donations have on our politics is well documented.⁷ Federal parliament should follow the example of Queensland, Victoria and New South Wales and ban big donations altogether.

⁶ Currently, the term "gift" in section 287 of the *Electoral Act* is narrowly defined and excludes contributions for access to politicians, like fundraising tickets to events for the purpose of meeting politicians, and membership subscriptions to political parties' business forums.

⁷ [Confronting State Capture. Australian Democracy Network. January 2022](#)

Co-signatories



350 Australia



ActionAid



Asylum Seeker Resource Centre



Australian Religious Response to Climate
Change



Australian Conservation Foundation



Australian Democracy Network



Buddhist Council of NSW



ClimActs



ClimARTE



Climate Action Network Australia



Conservation Council South Australia



Environmental Justice Australia



Foundation for Young Australians



Friends of the Earth Australia



GRATA FUND

Grata Fund



Greenpeace Australia Pacific



Human Rights Law Centre



Locals into Victoria's Environment



NSW Council for Civil Liberties



Public Health Association
AUSTRALIA

Public Health Association Australia



pvi collective



Sustainable Population Australia

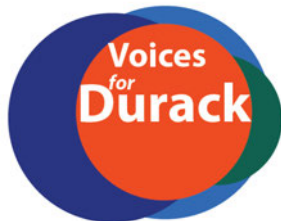


Transparency International Australia



Uniting Church in Australia
SYNOD OF VICTORIA AND TASMANIA

Uniting Church in Australia, Synod of
Victoria and Tasmania



Voices for Durack