

The Committee Secretary
Joint Standing Committee on Electoral Matters
Parliament House
P O Box 6021
Canberra ACT 2600

Political Donations Rules

I submit that political donation rules really do need to change. It's impossible to believe that gifts can be given with nothing expected in return.

Media reports and law cases give examples of how the present donations laws produce major harm to Australia, our individuals and our groups. Examples cross political party lines, and include Sam Dastiari, Ian Macdonald, Eddie Obeid and Stuart Robert. Money is being 'donated' in return for influence and favour in a code of behaviour that does not reflect community expectations, and only occasionally breaks the present, inadequate laws.

Having effective political donations laws is not just the correct thing in terms of ethics and fairness, there are also major economic efficiency and national security impacts. Optimal economic decisions need to be made on the basis of sound business cases, not on who has donated money. Ethics are violated by donations causing improper advantage and disadvantage. National interest issues are arising as indicated by the recent need for security briefings to be given to political leaders.

Most of Corporate Australia, government bodies and not-for-profit organisations have clear standards about not receiving gifts which can influence outcomes. Their typical response to a breach is immediate loss of employment plus potential criminal prosecution. These organisations task their risk committees to ensure standards and enforcement re conflicts of interest, and get independent external bodies such as auditors to check performance.

Australia's political leaders are typically more influential and make more significant decisions than employees and directors, yet presently have donations guidelines which are ineffectual and largely unenforced. Political donations standards and enforcement are below those in corporate Australia, most government bodies and most not-for-profit organisations, and below public expectancies.

Research shows that rule improvements would be very popular with voters. Improvements would greatly improve the reputation of politicians with voters. This is a case where our political leaders are lagging behind voters.

What's needed, to draw from *The Age* and the *Accountability Round Table* is:

- significantly increased public funding for parties and individual candidates
- updated, uniform rules under the Commonwealth Electoral Act. That has leveraged impact because the rules also flow through to most state and local governments
- robust powers and penalties that are funded adequately to ensure enforcement
- a ban on foreign political donations
- a cap on the amounts permitted by donors to individual candidates and parties
- a spending cap for parties in Federal, State and local government campaigns, and a cap on each electorate
- third-party spending caps
- a disclosure threshold by donors and recipients of donations above a specified figure
- competitive neutrality in funding outcomes for the major parties, and
- donations to be published on-line within 24 business hours.

Australians should not be concerned that democracy is for sale and the integrity of Parliament at risk. Politicians have this rare chance to advance this really important improvement by bringing their donations laws, and enforcement, up to community expectations. Please do it.

Yours faithfully,

Dr R. R. Gould