

Ten-point plan to clean up money in federal politics

1. **Effective transparency of political funding**

- *Comprehensive*: i) low disclosure threshold with amounts under threshold aggregated; ii) covers key political actors (including third parties)
- *Timeliness*: e.g. UK system of quarterly report + weekly reports during election campaign
- *Accessibility*: requires analysis of trends etc (e.g. through reports by electoral commissions)

2. **Caps on election spending**

- *Comprehensive*: i) cover all 'electoral expenditure'; ii) covers key political actors (including third parties)
- Applies 2 years after previous election – allow limits to apply around 6 months
- *Two types of limits*: i) national; ii) electorate
- Level set through review and harmonized with levels of caps and public funding

3. **Caps on political donations**

- *Comprehensive*: i) cover all 'political donations'; ii) covers key political actors (including third parties)
- *Gradually phase in* to set cap at \$2000 per annum and private funding around 50% of total party funding
- *Exemption for party membership* (including organizational membership fees) with level at \$200 per member (like section 96D of *Election Funding, Expenditure and Disclosures Act 1981* (NSW))

4. **A fair system of public funding of political parties and candidates**

- *Election funding payments* with 2% threshold and calculated according to tapered scheme
- *Annual allowance* calculated according to number of votes and party members
- *Party development funds* for political parties starting up
- Level set through review and harmonized with levels of caps and public funding – with public funding around 50% of total funding
- Increases in public funding to be assessed through a report by Australian Electoral Commission
- *Replace tax deductions* for political donations with system of matching credits with credits going to political parties and candidates

5. **Ban on overseas-sourced donations and donations from foreign governments**

- No case for banning donations for those who are foreign-born
- *Ban overseas-sourced donations*
- *Ban donations from foreign governments*

6. **More effective regulation of lobbyists**

- Cover all regular lobbyists not just commercial lobbyists
- *More transparency re lobbying activities* – specifically: a) summary of meetings; b) integrating with disclosure obligations;
- *More extensive post-separation employment restriction*: extend beyond lobbying to activities associated with lobbying.

7. **Stricter limits on government advertising in period leading up to election**

- Needed to deal with spike in 'soft' advertising in election period
- *Caps on amount spent on government advertising* 2 years after previous election

8. **Stricter regulation of parliamentary entitlements**

- Needed to deal with incumbency benefits through entitlements that can be for electioneering
- *Ban use of printing and communication allowance* 2 years after previous election

9. **Measures to harmonise federal, State and Territory political finance laws**

- *Minimalist*: anti-circumvention offence (like section 96HB of *Election Funding, Expenditure and Disclosures Act 1981* (NSW))
- *Maximalist*: harmonizing political finance regulation in terms of concepts, provisions etc

10. **An effective compliance and enforcement regime**

- *Measures to build a culture of compliance*:
 - a) Governance requirements for registered political parties;
 - b) Party and Candidate Compliance Policies (tied to public funding);
- *Key*: an adequately resourced Australian Electoral Commission which adopts a regulatory approach toward political finance laws
- Anti-corruption commission able to investigate breaches of these laws that fall within meaning of 'corrupt conduct' or if referral from Australian Electoral Commission (as currently provided NSW ICAC Act).