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6 October 2017

Select Committee into the Political Influence of Donations
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600

By email: politicaldonations.sen@aph.gov.au

RE: Submission to the inquiry into the political influence of donations

The McCusker Centre for Action on Alcohol and Youth welcomes the opportunity to contribute to this inquiry. The McCusker Centre strongly supports an investigation into the political influence of donations by the Select Committee.

The McCusker Centre for Action on Alcohol and Youth is an independent organisation based at Curtin University committed to reducing harms from alcohol among young people. The work of the McCusker Centre is directed towards raising awareness of the magnitude of alcohol-related harms among young people, the evidence-based approaches we know can work to reduce harm, other options and the need to act without delay.

Influence of political donations on decision-making

There is increasing concern about the influence of vested interests in shaping public policy by making financial and other contributions to political parties in Australia. Donations to political parties can be associated with political influence in a range of ways. They can help to secure access to decision-makers and offer opportunities for building and maintaining relationships, which are a key target of corporate political activity. Donations may also encourage a positive view of the donor. Well-resourced donors can afford to buy influence in ways that others cannot.

There is currently considerable policy discussion at national and state levels in Australia on alcohol issues and the approaches open to governments to reduce alcohol-related harm. It is imperative that the debate is not unduly influenced by companies with vested interests in maintaining and increasing alcohol consumption and in ensuring a regulatory environment that supports their financial interests. The public may consider political parties that are supported by donations from alcohol interests to bear an expectation of support for the alcohol lobby agenda.

Examples of political donations by the alcohol industry

We are concerned about the extent of funding provided to Australian political parties by various alcohol industry bodies and associated groups, based on the publicly disclosed information about political donations. We are also concerned that the public do not have a complete picture of the financial and other donations by vested interest groups to political parties.

For example, in the 2015-16 financial year, alcohol producer Lion Pty Limited donated \$145,000 to political parties - the Australian Labor Party (ALP) and the Liberal Party of Australia.¹ The Australian Leisure and Hospitality (ALH) Group donated over \$35,600 to various branches of the ALP, the Liberal Party and the Nationals. Crown Resorts Limited donated over \$170,000 to various branches of the ALP and the Liberal Party of Australia. The Australian Hotels Association (Federal Branch) donated over \$350,000 to Australian political parties. These are just a few examples in a single year of the significant funding donated to political parties in Australia; however, they demonstrate cause for concern. It is difficult to imagine a scenario where a group promoting public health interests would have the capacity to make donations of this scale. We recommend the Select Committee undertake a more comprehensive review of political donations connected to alcohol commercial interests over time to develop a clearer picture of the extent of contributions.

Comments on existing regulations on political donations

It is our understanding that at the federal level, the disclosure threshold for political donations is \$13,000 (for 2015-16), that there are no caps on donations and no restrictions on donors who are able to donate to political parties.

Different regulations apply across the states and territories. It appears that New South Wales and Victoria have the strictest regulations on political donations in Australia. In NSW, any amount donated over \$1,000 must be disclosed; donations from property developers and tobacco, gambling and liquor industries are prohibited; and there is a yearly cap on donations of \$5,000 for any individual.

In Victoria, a suite of reforms to political donations was recently announced by the Victorian Premier Daniel Andrews. It includes a cap on donations of \$4,000 over a four-year parliamentary term, public disclosure of donations above \$1,000, and real-time disclosure of political funding.²

We have significant concerns about the existing regulations regarding political donations. There is no consistency across political donation laws in Australia. In most jurisdictions and federally, there are no restrictions on who can donate to political parties and no caps that apply to donations. Federally, the disclosure threshold is very high, enabling numerous significant donations and donors to be undisclosed. There is also a long lag before donations are made public and a lack of transparency in reporting. We also have concerns about other types of donations, including gifts and sponsorship of events.

Recommendations

We believe the integrity of political decision-making can be improved by reforming the political donations regime; the following principles should apply to all political donations:

- A high-degree of transparency in reporting. There should be no ability to conceal the identity of donors through associated entities; and
- The public should have timely access, in real-time, to complete information about all donations at any level to political parties and election campaigns.

¹ Australian Electoral Commission. Annual Returns – 2015-16 [cited 2017 Oct 2]. Available from: <http://periodicdisclosures.aec.gov.au/>.

² Premier of Victoria, The Hon. Daniel Andrews MP. Victoria to have nation's strictest donation laws [media release]. 2017 Sep 18. Available from: <http://www.premier.vic.gov.au/victoria-to-have-nations-strictest-donation-laws/>.

The approach in NSW (whereby donations from tobacco, liquor and gambling business entities, representatives and close associates are prohibited) holds merit and should be considered for adoption at the federal level. For all donations, the current financial disclosure regulations should be amended to require the full disclosure of all political donations, both direct and indirect, irrespective of the amount. A strict cap on political donations within a certain timeframe would also work towards improving the integrity of political decision making in Australia.

Action in complementary areas, such as amending the lobbyist registers to improve transparency, would also contribute to the integrity of political decision-making. Research shows that there are significant flaws in the lobbyist registers, including that they do not contain timely, up-to-date and complete information concerning interactions between lobbyists and politicians, political staffers and senior bureaucrats.³ Timely access to comprehensive information via the lobbyist registers is essential to help promote the rational development of public health policy.

Yours sincerely,

Julia Stafford

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³ Robertson N, Kypri K, Stafford J, Daube M, Avery M, Miller P. Australian lobbyist registers are not serving the purposes they were designed for. Drug and Alcohol Review. 2017.