

THE UNIVERSITY OF
NEW SOUTH WALES



FACULTY OF LAW

GEORGE WILLIAMS

ANTHONY MASON PROFESSOR
SCIENTIA PROFESSOR
AUSTRALIAN RESEARCH
COUNCIL LAUREATE FELLOW
FOUNDATION DIRECTOR,
GILBERT + TOBIN CENTRE OF
PUBLIC LAW

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Committee Secretary
Joint Standing Committee on Electoral Matters
Parliament House
Canberra ACT 2600

Dear Secretary

**INQUIRY INTO THE FUNDING OF POLITICAL PARTIES AND ELECTION
CAMPAIGNS**

I make the following points based upon my earlier submission to the Government's Electoral Reform Green Paper: Donations, Funding and Expenditure.

At present, there are a myriad of problems that corrode public confidence in the political system and in those who serve in parliament. I support a comprehensive overhaul of electoral law as it relates to donations, funding and expenditure. Importantly, the reforms in each of these areas must reinforce each other to produce a system that operates in the best interests of Australian democracy and the Australian people. Electoral reform is needed to bring about a more effective and fair electoral system. The long term strength of Australian democracy depends upon such reforms.

Reforms should be founded on the principle of transparency and disclosure and should include caps on donations and expenditure. Combined with restrictions on the use of funds for purposes like electronic advertising, this might mean that the current level of public funding will be sufficient, or near to sufficient.

It is important that reforms are undertaken in a holistic manner. There is no point, for example, in capping donations if the expenditure side of the equation is not also dealt with. It is also important that the reforms do not merely amount to changes in legal regulation, but also have an impact upon the culture within political organisations. Australia needs to develop a system that has clear rules that direct political campaigning into more useful and appropriate channels,

but these rules by themselves will not be adequate unless they are backed by a clear understanding and recognition of their worth on the part of participants in the political process.

When it comes to donations, non-residents should not be entitled to make monetary contributions to Australian political parties. Their involvement in this way has the capacity to distort the Australian electoral system and to provide an inappropriate outside influence on democratic decision making in Australia. I also favour placing a cap on donations, and perhaps even preventing donations from anyone other than individuals, but only on the basis of adequate public funding of political campaigning and expenditure caps on campaigning.

I support a cap on the expenditure of funds on campaigning by political parties, candidates and other participants both in and outside of the formal election period. Proven expenditure should be the only basis upon which a person or party can receive public funding. It should be made clear that taxpayers' funds relating to political campaigning can only be received where they can be matched to actual expenditure.

One major concern lies in the demand for money in order to undertake electronic and other forms of advertising. An attempt to limit such advertising was struck down in 1992 by the High Court in *Australian Capital Television*. The idea of limiting electronic advertising should be re-visited. That High Court decision struck down a particular scheme that was found to be deficient in light of a freedom of political communication then implied from the Constitution. That was not an implication that was taken into account in the drafting of the legislation because at the time the law was drafted the implication had not yet been recognised.

I believe that it would be possible to design a new scheme to limit electronic advertising that would be consistent with the constitutional implication. It is not, for example, clear (as is stated in para 10.20 of the first Electoral Reform Green Paper) that 'a complete ban on election advertising would likely be unconstitutional'. This was not the finding of the High Court, and any judicial assessment would depend on matters such as the nature of the ban and the other avenues still available for political campaigning.

Reform of electronic advertising should be undertaken because any cap on donations or expenditure is unlikely to be effective unless the demand for funds by political parties and candidates is also reduced. Other nations with more stringent limitations on freedom of speech and related political freedoms have proven capable of enacting limitations on advertising (and hence the demand of money) within the political system. They have recognised the clear imperative of regulating matters such as electronic advertising in order to produce a fair and open electoral contest that is not distorted by money. It is time that Australia again sought to go down this path.

Yours sincerely


George Williams