

**Submission  
No 10**

## **INQUIRY INTO PUBLIC FUNDING OF ELECTION CAMPAIGNS**

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I welcome the opportunity to provide a submission to the inquiry into public funding of election campaigns.

Financial donations to political parties and candidates can be one of the most corrupting forces in our political system. Many in the community believe that big business, trade unions and wealthy individuals have undue influence on policy directions because of their contributions to political parties. Indeed, reform must address the findings of many research projects that have discovered high levels of cynicism about the political process deeply entrenched in the wider community.

Any doubts about the integrity of political campaign funding, or in the trust we can place in free and fair elections, have the potential to badly undermine the strength of our democracy. It is important that steps are taken to make the electoral system fairer and more transparent.

Elections should be a contest between different ideas, policies and abilities, not a contest as to who has the greatest financial backing. To overcome perceptions of 'favours for mates,' it is time to introduce a new model for political funding which includes a blanket ban on all forms of donations to political parties from business, unions, and non-profit organizations. Such a ban must be total.

What is required is an equitable and transparent system of public electoral funding. Our current system of partial public funding is an improvement on previous methods, however, only a system of full public funding will ease concerns that political donations undermine the political process.

Such a system needs to provide equal opportunities for both new and existing candidates who wish to stand for election. It is crucial that all candidates seeking election can compete on an even playing field, as vigorous competitive political campaigns and confidence in the electoral process are vital ingredients of a strong democracy.

Payment of public funding should be dependent on a candidate receiving a minimum 5% of the first preference vote. I note that in a response to the NSW Legislative Council, Select Committee on Electoral and Political Party Funding Discussion Paper, November 2007, the NSW ALP General Secretary said: *"There should be bipartisan support for such a clean and transparent system. While the major Parties may lose income in the short term as a result of such a system being introduced, I have no doubt that in the long run our Parties, our MPs and our democracy will benefit from a restoration of the public's faith."*

There is also a need for a cap on expenditure, both at the individual electorate level and statewide. This would even up the playing field between party candidates and independent candidates, making for a far fairer political process. I suggest that a cap of \$20,000 be placed on the expenditure of any individual candidate during an election campaign. A cap of \$20,000 would limit the demand on the public purse for funding.

Public funds should not be there to simply fund any campaign regardless of merit to the electorate. The need to gain 5% of first preference votes would help ensure that many nuisance candidates would be eliminated. Such a cap would also stop the huge cost blowouts seen at recent elections. It would also help level the playing field and return the focus to policy rather than media and advertising hype.

I have concerns that the major parties will attempt to bypass reform through using head office to run campaigns and provide funds for extensive advertising campaigns that support individual candidates. Any reform must prevent a party candidate spending their determined funds, and then receiving the benefit of a head office or outside individually funded advertising campaign to support them, or to smear their political opponents.

There are individuals in the community who may wish to donate to the political process and this should still be possible through a system where donors are kept anonymous and funds managed by an independent body to distribute. Donations made anonymously would ensure that individuals wouldn't be seen to 'purchase' influence over any party or candidate.

There is no doubt that the extent to which the community is prepared to engage in the political process is highly dependent on their faith in the system. The outcomes from this inquiry must improve public confidence, ensure the system is as fair as possible to all candidates, and must help overcome the widely held view that people enter politics for personal gain. A transparent, fair, publicly funded election system, with caps on individual expenditure, is a way to achieve these outcomes.