

INQUIRY INTO PUBLIC FUNDING OF ELECTION CAMPAIGNS

Organisation:

Name: Mr Greg Piper MP

Position: Member for Lake Macquarie
Mayor of Lake Macquarie

Telephone:

Date Received: 21/01/2010



January 20, 2010

Joint Standing Committee on Electoral Matters
Parliament House
Macquarie St
Sydney NSW 2000

Submission to: Public funding of election campaigns (Inquiry)

Greg Piper MP
Member for Lake Macquarie
Mayor of Lake Macquarie
92 Victory Parade
Toronto NSW 2284

This submission on public funding of election campaigns attempts to address the terms of reference as established by the former Premier and draws on my previous submission to the Inquiry into Electoral and Political Funding submitted on April 4, 2008.

My experience as a candidate in elections within NSW has predominantly been through local government having continuously been on Lake Macquarie City Council since 1991 and through my election to the Legislative Assembly in March 2007.

During this time on council I have seen election campaigns change particularly in regard to their sophistication and subsequent cost. It would be difficult to run an effective campaign without reasonable access to funds. While the decision on expenses is largely at the discretion of each candidate or team, there are costs that would be typical of most campaigns that increase beyond normal. For example, the rates charged for advertising through some media outlets rise significantly for election advertising. It is ironic that some of these commentators then express concern about election costs. This is however only a component of the cost of increasingly sophisticated campaigns.

While I support greater public funding of elections I do not necessarily support a total ban on contributions. I believe that support for a candidate is something many people would wish to offer as a legitimate part of the democratic political process. This support may come from friends, family, people one may have campaigned with on various issues or from others who share or believe in one's principles. This type of support can only truly come from a "natural person" and should therefore exclude donations from corporate entities, unions and other such organisations. Clearly, individuals within those organisations can choose to support a particular candidate if for whatever reason they believe them worthy. Such a decision should not be made by an executive acting for members.

Submission to: Public funding of election campaigns (Inquiry)

Greg Piper
Page 1 of 3

While there is strong argument that the political donations system should be reformed I do not believe that we should see all donations as being tainted and seeking to "buy" influence. Nor should we be populist by pandering to a perception that all politicians can be bought by political donations. As in any walk of life there will be those examples but from my observation over nearly nineteen years in Local Government and now as an MLA since 2007, I don't believe such a generalisation to be correct.

That said, while I believe corruption is the exception to the rule I do believe that we should take all reasonable steps to make corrupt conduct as difficult as possible. Within the area of political campaign funding, the very need for funds drives the possibility of significant and at least in perception, compromising donations. A number of steps should be taken to correct this:

1. Cap the maximum expenditure allowed per candidate. Remove the need for "big" money. That cap should fit within the \$60,000 to \$80,000 range indexed annually. Clearly political parties would benefit from the accumulation of these funds for utilisation on their state-wide campaign; however the inequity would be far less than the status quo.
2. Limit the amount that candidates need to raise by providing partial public funding. I believe that this should be 50% of the capped allowable expenditure. Certain electorates may need some indexation of the cap based on geographic area and the associated additional costs of engaging a widely dispersed community.
3. Restrict the amount that can be contributed to a candidate by any one person to around \$1000 per annum. The ability to raise this private 50% component of the funds allowable would advantage credible and supportable candidates over opportunistic or frivolous candidates.
4. Full disclosure and cessation of fund raising, say, one week prior to the election date.
5. Clear reconciliation of income and expenditure within the same period. This is a major flaw within the current system and was highlighted by some obviously flawed declarations from party members following the 2007 election.

These suggestions are made mainly with a view to state elections and more consideration would need to be given to how Upper House candidates would be funded. Local Government elections are more complex as there is greater diversity in the size and population of Local Government Areas as well as differences such as ward V non-ward systems, and popularly elected mayors as opposed to non-popularly elected mayors.

However, council elections should still be capped in similarly described fashion with consistent limits and regulation on how and how much money can be raised for the purpose. I would suggest that this inquiry adopt a range of principles as they would relate to council elections and that detail should be formulated following further consultation with councils and other interested parties.

It has been suggested that self-funding should not be allowed as this benefits the wealthy. It could alternately be said that the willingness to expend personal savings or take on debt such as drawing on a mortgage, shows that the person has a genuine commitment to the decision to run for office. I support the continuance of the ability to self-fund as long as the total funds do not exceed the expenditure cap.

Any amended system should not be so complicated or difficult to deter people from participating in the democratic process. Regulation and reporting regimes should not be so difficult that inadvertent mistakes can be made by participants nor so complicated that an interested member of the public could not easily view and understand contribution and expenditure declarations.

For any of the proposed changes there would need to be a significant increase in resources for Elections NSW. They would need to be able to oversight and respond to variations or problems in a timely manner or the value of the changes would be greatly diminished.

With so many avenues for political assistance and the kind of "ingenuity" often seen by parties and candidates during an election campaign, it would be naive in the extreme to think that there would not continue to be loopholes within any system. Loopholes can however be reduced as can the value of any benefit derived, but the system will always rely on integrity and unfortunately, integrity can't be legislated.

Changes should not be made to address problems with the lowest common denominator at the expense of driving good people away from serving their communities through politics. Minor parties and independents are an important part of democracy and no changes to the electoral system should be made that unreasonably or unjustly disadvantages their ability to participate.



Greg Piper
Member for Lake Macquarie