

**Submission  
No 25**

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

**Organisation:** The Shooters Party

**Name:** Mr Robert Borsak

**Position:** Chairman

**Date Received:** 27/01/2010

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## **THE SHOOTERS PARTY INC.**

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### **Submission to the Inquiry into public funding of election campaigns by the NSW Joint Standing Committee on Electoral Matters**

In The Shooters Party previous submission to the NSW Select Committee on Electoral and Political Party Funding in 2008, The Shooters Party recommended that public funding of political parties and election campaigns be reviewed, so as to provide a more equitable allocation of public funds to independent candidates and minor parties. We welcome similar support for this position from the major parties and The Greens NSW, with a requisite that before any decision is finalised, the taxpayers of NSW are fully informed of the costs associated with a publicly funded election campaign.

The Shooters Party recognises that broad participation is essential for an effective democracy in New South Wales, the key feature of which is compulsory voting. Broad participation alone however, is not sufficient to ensure an effective democracy. Voters must also be well informed about the candidates standing for office and they must also be able to vote free of any intimidation.

In Australia, we are fortunate that we enjoy a stable democracy. Voters remain relatively free from intimidation, thanks largely to our secret ballot system, and voters are generally well informed on political issues, thanks to the availability of a range of communications media

available to candidates and political parties wishing to inform or educate the public on their policies.

However, the cost of advertising during electoral campaigns is staggering and continues to grow, not just because of competition between parties and candidates, but also because of the growing cost of advertising across all media and the growing competition between all advertisers for media space.

The escalating costs of communicating party or candidate policies to voters during elections has impacted on all parties, but has affected minor parties and independent candidates most of all. If minor parties and independent candidates are unable to effectively communicate their policies at election time because the major parties dominate communications media, then we could argue that the state effectively becomes a plutocracy, rather than a democracy.

Equally important, it is The Shooters Party opinion that while voters are generally well informed on political issues, the electorate is not as well informed on political processes, such as differences in the preferential system of voting used in the Upper and Lower Houses of parliament.

In the 2006 report by the Commonwealth Joint Standing Committee on Electoral Matters inquiring into funding and disclosure the Committee stated “a level playing field should operate between political parties and independent candidates”.<sup>i</sup>

One reason in favour of providing public funding for political parties and election campaigns is to reduce the reliance of parties on contributions from what could be seen as a potentially inappropriate source from donations.<sup>ii</sup> Funding programs should therefore, be designed to create a more equitable environment for all political parties, big and small, as well as independent candidates wishing to contest elections.

Prior to the introduction of public funding in NSW in 1981, it was almost impossible for minor parties to contest elections with any optimism, because of their inability to raise adequate finances. Disclosure provisions for political donations, and the provision of public funding for political parties and election campaigns have to a degree moderated this effect,

and have made representation of minor party views and interests in the institutions of governance more achievable.

As a result, it was The Shooters Party recommendation to the NSW Select Committee on Electoral and Political Party Funding in 2008 that the current legislation in respect of political funding disclosure be retained, and that public funding of political parties and election campaigns be reviewed, so as to provide a more equitable allocation of public funds to independent candidates and minor parties.

In respect to whether any restrictions should be imposed on expenditure by political parties and candidates more generally, it was and remains The Shooters Party position that no limits be placed on expenditure by political parties or candidates in an election campaign.

The costs associated with an election campaign have markedly increased since the 1970s and continue to do so because of the huge expenses incurred by parties and candidates in political advertising and their increased dependence on radio, television and the print media.<sup>iii</sup>

Political parties today have developed sophisticated campaign techniques funded through the public purse and donations, which are necessary to meet the massive costs in the pursuit of public office, and more importantly, to ensure and encourage citizen participation and engagement in the political process.

Any proposal to introduce limits on expenditure in election campaigns would need to be directed at providing greater parity between campaign budgets for large political parties and independents or minor parties. Such limits would be impractical to police in real time in the run up to an election. If a party was later found to have exceeded such a limit when all the expenses are collated and submitted to the Electoral Commission following the election, it would be too late to impose any relevant and meaningful penalty.

Rather than introducing limits on expenditure in election campaigns, it is imperative that appropriate safeguards are in place to protect and ensure the integrity and transparency of the public funds and donations, which should thus ensure the continued integrity of the democratic process, and thereby the political process as a whole.

## Political Education Fund

The ability to raise sufficient funds during an election has an effect on the likely outcome of the poll and is an indisputable truth of our democratic and political process. The amount of money available to a political party or candidate for advertising and public education during and prior to an election campaign does have a big effect on their ability to convey its message to the voting public.

In NSW, registered political parties receive annual payments for political education, including posting written material, through the Political Education Fund, established under the Election Funding Authority.<sup>iv</sup> The Political Education Fund was established in 1993, following recommendations of another Parliamentary Joint Select Committee. An annual appropriation is made to the fund of an amount equal to the cost of one ordinary postage stamp for each elector in the State.<sup>v</sup>

In recommending the establishment of a Political Education Fund, the 1993 Parliamentary Joint Select Committee expressed the view that:

“The important function of political education of the voting community is not presently assisted by the state in any real way but is left largely to the political parties. As this imposes a considerable burden on them the committee supports the creation of a political education fund based on the cost of one standard postage stamp per elector per year...This money may be expended on political education and educational material only...”<sup>vi</sup>

The Shooters Party believes that the current system is inequitable. The party is in the rare situation of being able to say that it has spent money on educating voters, particularly in regard to pointing out the difference between the Upper House and Lower House systems, with the aim of educating the voter, and ensuring that the voter records a valid preference at the polls. In the 2007 NSW State Election, The Shooters Party spent an estimated \$164,000 on this alone, yet remains ineligible for funding under the Political Education Fund.

Funding to political parties is currently calculated on the number of first preference votes received by candidates endorsed by the party for election to the Legislative Assembly at the

previous general election.<sup>vii</sup> However, political parties that stand candidates only in the Legislative Council are currently not eligible for this funding, even when they have been successful in having members elected to the Legislative Council. The Shooters Party has two members in the NSW Legislative Council, but is not eligible for funding from the Political Education Fund. Indeed, The Shooters Party has had members in the Legislative Council for nearly 18 years.

The Greens NSW for example, field candidates for the Legislative Assembly in every seat in the NSW 2007 State Election, but managed to win none. Yet, by virtue of the first preferences received, they are entitled to a substantial cut of the Political Education Fund each year.

According to the 2008-09 Election Funding Authority Annual Report for NSW in relation to claims made under the Political Education Fund, The Greens NSW claimed and were paid \$194,042 for 2009.<sup>viii</sup> The Shooters Party on the other hand, remain ineligible for funding from the Political Education Fund, despite receiving 106,513 votes in the Upper House at the 2007 NSW State Election, as opposed to 347,548 votes by The Greens NSW. Since 2004, the Greens NSW have received a combined amount of \$1,001,184, while The Shooters Party with two elected members in the Legislative Council and only two less than The Greens NSW, remain ineligible for funding from the Political Education Fund.

It is obvious that the original intention of distributing funds on the basis of electoral performance at the previous general election is not being achieved, as some minor parties are only represented in the Legislative Council. The electoral performance of these parties is not being recognised under the current formula for political education.

In its submission and appearance before the NSW Select Committee on Electoral and Political Party Funding in 2008, The Shooters Party recommended that the funding formula for the Political Education Fund be reworked, so as to recognise the performance of parties in the Legislative Council and/or the Legislative Assembly.

The position of The Shooters Party for the Political Education Fund be reworked, so as to recognise the performance of parties in the Legislative Council was unanimously supported by all committee members. In evidence given to the Select Committee on 31 March 2008, Ms

Lee Rhiannon MLC of The Greens NSW gave support for broadening the eligibility criteria for access to money under the Political Education Fund.

“At the moment some parties have access to public money from the Political Education Fund. We support independent members of Parliament and parties that do not run in Lower House seats being able to access this money”.<sup>ix</sup>

Broadening the eligibility criteria was also supported by the Mr Bitar, General Secretary of the ALP NSW, who described as “bizarre” the situation in which parties with candidates elected to the Legislative Council are not eligible for payments from the Fund.<sup>x</sup>

Likewise, in evidence given to the Select Committee, Dr. Tham, Senior Lecturer at the Faculty of Law with the University of Melbourne, also agreed that the eligibility criteria should be revised.

“To restrict the measure of public support to the votes garnered in the Lower House seems to me to be wrong because support can be reflected either through the votes for the Upper House or the Lower House. One should not make a distinction between one and the other”.<sup>xi</sup>

The Shooters Party welcomes the support from the major parties and The Greens NSW, to broaden the eligibility criteria for access to money under the Political Education Fund, and believe that in fairness, it wouldn't be unreasonable to have any such payments made retrospective to the election of The Shooters Party second member to the Legislative Council in March 2007, so that The Shooters Party wouldn't be disadvantaged again at the next election.

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<sup>i</sup> Joint Standing Committee on Electoral Matters, *Funding and Disclosure: Inquiry into disclosure of donations to political parties and candidates*, The Parliament of the Commonwealth of Australia, February 2006, p. iii

<sup>ii</sup> NSW Parliamentary Library Research Service, *Election Finance Law: Public Funding, Donations and Expenditure*, Briefing Paper No 15/2001, p. 4

<sup>iii</sup> NSW Parliamentary Library Research Service, *Election Finance Law: Public Funding, Donations and Expenditure*, Briefing Paper No 15/2001, p. 4

<sup>iv</sup> Election Funding Guide for Parties for State Elections, *Part E: Funding for Political Education*, NSW State Election 2007, p. 47

<sup>v</sup> NSW Parliamentary Library Research Service, *Election Finance Law: Public Funding, Donations and Expenditure*, Briefing Paper No 15/2001, p. 52

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<sup>vi</sup> NSW Parliamentary Library Research Service, *Election Finance Law: Public Funding, Donations and Expenditure*, Briefing Paper No 15/2001, p. 46-47

<sup>vii</sup> NSW Parliamentary Library Research Service, *Election Finance Law: Public Funding, Donations and Expenditure*, Briefing Paper No 15/2001, p. 47

<sup>viii</sup> Election Funding Authority Annual Report 2008/2009, *Political Education Fund*, p. 19

<sup>ix</sup> Ms Rhiannon, *Select Committee on Electoral and Political Party Funding*, Evidence, 31 March 2008, p. 35

<sup>x</sup> Mr Bitar, *Select Committee on Electoral and Political Party Funding*, Evidence, 4 April 2008, p. 63

<sup>xi</sup> Dr. Tham, *Select Committee on Electoral and Political Party Funding*, Evidence, 31 March 2008, p. 8