

**Submission  
No 20**

**INQUIRY INTO PUBLIC FUNDING OF LOCAL GOVERNMENT  
ELECTION CAMPAIGNS**

**Organisation:** Action on Smoking and Health (ASH) Australia

**Name:** Ms Anne Jones OAM

**Position:** Chief Executive Officer

**Date Received:** 21/09/2010

---

*Submission to*

**JOINT STANDING COMMITTEE ON ELECTORAL MATTERS:  
Public Funding of Local Government Election Campaigns**

**To:**

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

[electoralmatters@parliament.nsw.gov.au](mailto:electoralmatters@parliament.nsw.gov.au)

**From:**

**Action on Smoking and Health (ASH) Australia**



[www.ashaust.org.au](http://www.ashaust.org.au)

ASH Australia  
153 Dowling St  
Woolloomooloo NSW 2011

Ph. (02) 9334-1823

[annej@ashaust.org.au](mailto:annej@ashaust.org.au)

September 2010

## **ASH Australia**

Action on Smoking and Health Australia is a national non-government health organisation committed to reducing deaths, disease and disabilities caused by tobacco products and the misleading and deceptive conduct of the tobacco industry. Founded in 1994 and based in Sydney, ASH is funded by the Cancer Council Australia and the Heart Foundation.

The ASH Board is chaired by Associate Professor Matthew Peters, a Thoracic Physician at Concord Hospital, and includes experts from the Cancer Council Australia, Heart Foundation, Sydney University and the Royal Australasian College of Physicians. Anne Jones, Chief Executive Officer since 1994, is a policy adviser on tobacco control in Australia, and in the Asia-Pacific region for the International Union on Tuberculosis and Lung Disease on behalf of the Bloomberg Initiative to reduce the tobacco epidemic worldwide.

ASH is a member of several national coalitions aiming to reduce tobacco diseases, including the Protecting Children from Tobacco coalition of 40 organisations and the SmokeFree Australia workplace coalition of 11 organisations.

## **Introduction**

We appreciate the opportunity to make this submission to the Joint Standing Committee. We welcome NSW Premier Kristina Keneally's announcement on September 21 that the Government will introduce fundamental changes to election funding laws including caps on donations and electoral expenditure.

As reforms are urgently needed at all levels of government, we have previously made submissions to the Inquiry into Public Funding of Election Campaigns (2009), the NSW Parliament Select Committee Inquiry (2008) and to the Federal Parliament's Joint Standing Committee on Electoral Matters.

We and many other organisations and individuals are concerned that the current political financing system creates inequities between people and between parties and undermines our democratic process. Large donations to parties and candidates damage public confidence in governments regardless of whether the government operates at a local, state or federal level.

Initially we were mainly concerned about donations from the tobacco industry, since tobacco is the leading cause of early death and chronic disease - but after reviewing the evidence we quickly came to the conclusion that reforms need to be comprehensive, as third parties are commonly used to make secret donations.

Political donations in general have created distrust and a public perception that governmental decisions are skewed towards wealthy interests and against independent evidence and wider community opinion. The NSW Department of Local Government has tried to address these concerns with a Code of Conduct but there is evidence that some local councillors breach the code by voting on submissions from major donors.

While we support the introduction of a comprehensive public funding model, we strongly believe that there must be a cap on election expenditure to avoid the legitimate concerns that political parties could exploit public funds by "writing a blank cheque" to cover the rising costs of election funding.

Other jurisdictions including New York, New Zealand and several states in Canada have introduced reforms including improving disclosure, enforcement and caps on public funding and expenses. Therefore there is no reason why the NSW Government should lag behind or offer piecemeal solutions for improving the integrity of our democratic system.

## Recommendations for guiding reform

ASH Australia, after consultation with experts and other non-government organisations, and in view of actions taken in other jurisdictions, has previously recommended the following principles to guide reform:

1. Measures to increase transparency in the source of donations, including:
  - (a) prompt and transparent reports at least quarterly and in the month before an election, to a public website maintained by election funding authorities;
  - (b) requirements for party committees or other fundraising bodies to state the sources of their donations; and
  - (c) a requirement that all funding disclosures must be accompanied by a report from an accredited auditor.
2. A limit on single or cumulative donations – we suggest that this be \$1,000 per year per donor (as in other jurisdictions).
3. A total ban on political donations from organisations, including private and publicly traded corporations and trade unions.
4. A total ban on donations from foreign or trans-national entities.
5. Caps on total electoral spending by parties, candidates and third parties.
6. An independent body to monitor all government advertising campaigns and ensure that public funds be spent for a reasonable purpose.
7. Monitoring of public information campaigns from parties and members to ensure that allocated funds are disbursed throughout the electoral cycle rather than in the pre-election period.
8. In local government, introduction of public funding, conditional on compliance with caps on private funding and transparent disclosure prior to elections.
9. All initiatives in relation to public funding matched by audit, so that funding is spent for electoral purposes – to prevent the emergence of “for profit” candidates for office.
10. Electoral reform to be added to the national agenda including at appropriate meetings of Ministers for Local Government and Council of Australian Governments.

These initiatives should be administered by an independent authority at arm’s length from political parties and with adequate powers and funding to enforce the laws.

## Terms of Reference

The nine very specific questions would ideally be considered by experts in electoral reform from academia, the public service and after NSW state reforms have been approved and tested. As NSW will be the first state to introduce caps on political donations and expenditure, the lessons learned should be of great assistance in developing a public funding system model for local government.

Based on our guiding principles, we can say we support bringing local government into line with state and federal government by extending a public funding model in exchange for caps on donations and expenditure as well as transparent disclosure requirements prior to elections. Reimbursement of funds should be based on a model that requires proof of expenditure by candidates who for example, gain 4% or more of the primary vote. The Code of Conduct is weak, open to exploitation and needs to be replaced by comprehensive legislation without loopholes.

## Conclusions

We agree that reform of our electoral funding system is extremely important and needs to be based on principles of fairness, equality and accountability. As the development of a comprehensive and integrated scheme of public funding will involve a considerable increase in public funds, we urge the committee to ensure that our state develops a best practice model that has the majority support of experts in electoral reform, public interest groups and the people of NSW in general.

Sincerely,



Anne Jones OAM  
Chief Executive Officer  
ASH Australia