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

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NSW Parliament

Joint Standing Committee on Electoral Matters

Inquiry into public funding of election campaigns

Presented on behalf of **The Greens NSW** by David Shoebridge, Convenor.

# **Executive Summary**

The Greens NSW look forward to this inquiry producing effective and immediate reform that halts the corroding influence of corporate political donations in New South Wales. While this submission recognises that in a federation such reforms require careful consideration, they are achievable if the government is genuinely willing to clean up politics in New South Wales.

There is near universal agreement that some form of root and branch electoral funding reform is urgently needed. The rich and powerful in this country have access to politicians that few members of the public will ever experience. Much of this access is gained through large political donations and large contributions at fundraisers.

Electoral funding reform requires not only limits on donations (the supply side) but also limits on expenditure (the demand side). For the last twenty years the electoral arms race between the major parties in NSW has seen electoral expenditure increase dramatically, and with that, ever greater reliance on corporate donations. Only by addressing each side of the problem can effective change be brought about.

There are existing and workable international models for public funding and donations reform that can be readily adopted by New South Wales. The most pertinent examples are from Canada and New Zealand. Both countries have similar political histories and political values to New South Wales. Canada's system has not only overcome a vigorous challenge in its Supreme Court but did so having accommodated its federalist structure.

The current system gives the appearance that many government decisions are influenced by donations rather than based on the common good. This appearance erodes both the value of, and support for, our democratic system. Over the past eight years the Greens Political Donations project, <a href="www.democracy4sale.org">www.democracy4sale.org</a>, has helped to reveal the extent of the influence that corporate donations are having on our democratic process. A modest degree of public funding is a fair public investment to curb this practice and affirm that public, not private, interests direct governments in this State.

This submission notes that this Inquiry commences on the assumption that all but modest donations by individuals should be prohibited and further that the Government has announced its support for the introduction of a comprehensive public funding model.

These starting principles are endorsed and supported in this submission with a cap of \$1,000 per annum from individuals to any political party being supported.

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## **Summary of Recommendations**

- 1.1 Pursue the introduction of Canadian style electoral funding laws in NSW, including the introduction of publicly funded election advertising during the election campaign period.
- 1.2 To support ongoing administrative and campaigning costs throughout the electoral cycle an annual grant be made to registered parties and elected independent candidates, in addition to reimbursement of election expenditure, based on the vote they received in the last general election.
- 1.3 The maximum funding entitlement of a candidate or group to be calculated by reference to the number of votes or percentage of vote obtained.
- 1.4 No candidate or group is to receive more than half of the total pool of potential funding available for the electorate contested.
- 1.5 To assist new parties in particular each registered party should receive an annual base funding for party administration costs of approximately \$10,000 per annum.
- 1.6 To assist newly formed parties the threshold for electoral funding for parties or candidates contesting the upper house to be reduced to 2% of the vote while retaining the current level for candidates in the lower house at 4% of the vote.
- 1.7 Public funding in relation to political parties or their candidates should be paid to the registered political party. The party can determine distribution of funds to its branches or candidates according to its own rules.
- 1.8 Public funds should not be spent on personal private expenses.
- 1.9 Parties should be able to determine whether periodic public funding is spent on election campaigns or party administration costs.
- 1.10 Public finding should be extended on a reimbursement basis to local council elections with the suggested size of maximum funding pool for each council or ward the same as applies for Legislative Assembly seats, adjusted according to the number of voters on the electoral roll for each council or ward.
- 1.11 All amounts to be indexed to the Consumer Price Index.
- 2.1 Election expenditure for individual lower house candidates be capped at \$30,000 and the expenditure for a political party running a state wide campaign be capped at \$1 million (not including the expenditure of its lower house candidates).
- 2.2 Place a cap on local government election expenditure by candidates and a group of candidates at whichever is the greater amount of: 50 cents per voter, calculated on per

- capita basis according to the number of voters on the electoral roll in the local government area/ward, or \$10,000 per local council area or ward.
- 2.3 State-wide party expenditure for local government elections should be capped at \$500,000. This amount is separate from campaign expenditure incurred by the party's candidate or group of candidates for a local council area or ward.
- 2.4 Third party expenditure to be capped at \$100,000 for state-wide elections and a reasonable cap put in place for by-elections based on the number of registered voters.
- 2.5 A third party expenditure cap of \$5,000 in respect of any local government election in any given local council area or ward.
- 2.6 Election expenditure caps to apply for the three-month period up to and including an election to all candidates, registered political parties, third parties and associated entities.
- 2.7 The cap on expenditure should apply to defined electoral campaigning expenses, including electronic campaigning.
- 2.8 Expenditure caps should not apply to volunteer labour.
- 3.1 Settled legislative criteria be put in place to restrict government advertising to matters of genuine public education and general importance.
- 3.2 In the three months prior to and including a general election the NSW Auditor General to be given the power to determine if government advertisements should be publicly released, basing such decision on the public education value and general importance of the advertisements.
- 3.3 State Registered political parties and associated entities be prohibited from receiving more than a total of \$10,000 per annum in assistance from all branches and levels of the party including at the Commonwealth level and in any other state.
- 4.1 That an independent commissioner in the election funding authority, modelled on the statutory position of the Director of Public Prosecutions, be created with the role of general oversight of the scheme and standing to commence prosecutions for breaches.
- 4.2 Suggested penalties for breach to include total or partial loss of public funding; hefty fines, confiscation of unlawful donations, and in extreme cases of over expenditure disqualification as a candidate, councillor or member of parliament.
- 4.3 Penalties to be imposed by a court modelled on the Court of Disputed Returns in cases where breaches of the electoral funding and expenditure rules are identified.
- 4.4 Expenditure of public funding on personal expenses ought to be prohibited.

- 4.5 To ensure compliance annual auditing of any party or candidate who receives public funding must be compulsory,
- 4.6 Continuous disclosure of electoral expenses to be required for the three-month period up to and including any election.
- 4.7 The costs of compliance to be considered in any public funding model.
- 5.1 That New South Wales immediately undertake to legislate a comprehensive state wide system for electoral funding and expenditure reform, irrespective of actions taken by other states or at the federal level.
- 5.2 That New South Wales take a leadership role in bringing about uniform state and federal electoral funding and expenditure reform in Australia.

# Part A. Criteria and Thresholds for Public Funding of Registered Parties and Candidates

## **Terms of Reference**

- (a) The criteria and thresholds that should apply for eligibility to receive public funding;
- (b) The manner in which public funding should be calculated and allocated, including whether it should take into account first preference votes, parliamentary representation, party membership' subscriptions, individual donations and/or other criteria;
- (c) any caps that should apply, including whether there should be an overall cap on public funding and/or caps on funding of each individual party or candidate either absolutely or as a proportion of their total campaign expenditure or fundraising;
- (d) the persons to whom the public funding should be paid, including whether it should be paid directly to candidates or to political parties;
- (e) the mechanisms for paying public funding, including the timing of payments;
- (f) whether any restrictions should be imposed on the expenditure of public funding and, if so, what restrictions should apply and how should the expenditure of public funding be monitored:
- (g) whether any restrictions should be imposed on expenditure by political parties and candidates more generally and, if so, what restrictions should apply and how should expenditure be monitored;
- (n) the impact of any proposed measures on the ability of new candidates, including independent candidates and new political groupings, to contest elections;

## Submission

The Greens strongly support increased public funding as the only viable method of reducing the influence of private and powerful corporations and individuals in the politics of this State.

The most widely accepted criteria for the provision of public funding is one based on the total primary vote received by a party or candidate at an election. There are clear precedents for this form of public funding including at both a Commonwealth level and internationally with the Canadian electoral funding system. The Commonwealth's electoral funding scheme is one that has broad cross-party and community support in Australia.

However, if corporate donations are removed and private donations restricted then any public funding scheme would have to be significantly expanded to cover not just four yearly

In this regard the Political Education Fund model at a state level is a useful model. Such a scheme could be expanded to incorporate increased annual funding for not only political education but also reasonable administrative costs incurred by a party throughout the electoral cycle. Again the basic funding model would be based on a party's vote at the last election.

Periodic funding based on the vote received would only be made available to registered political parties and elected independent members of parliament.

In order to ensure new parties are able to successfully establish themselves in the absence of large private donations some consideration needs to be given to public funding of newly registered political parties that have not succeeded in obtaining parliamentary representation or a substantial state-wide vote.

In this regard the Greens support reducing the threshold for electoral funding for parties or candidates contesting the upper house to 2% of the vote and retaining the current level for candidates in the lower house, namely at 4% of the vote.

The Greens also support annual base funding of newly established parties. This funding should be capped at a modest level of approximately \$10,000 per annum for the first eight years of any such party's existence. This funding would be withdrawn on any newly formed party receiving a sufficient state-wide vote to receive annual public funding.

To provide for accountability public funding should be paid to the relevant registered political party to be allocated by that party to either campaigning or administrative costs in accordance with their established practices and rules. Independents who are entitled to electoral funding should receive payment directly.

Expenditure of public funding on personal expenses ought to be prohibited. To ensure compliance annual auditing of any party or candidate who receives public funding must be required.

In order to promote democracy and pluralism in the State no party or candidate should be entitled to receive more than 50% of the total pool of public funding available at either a state or electoral district level.

To ensure the level of funding remains viable all amounts must be automatically indexed to any annual increase in the Consumer Price Index.

There would be wide support for public funding of local council elections, bringing local council elections into line with state and federal elections. Public funding for electoral expenses would help reduce the influence exerted by big donors, and it is a necessary prerequisite for cleaning up the political funding process. Public funding also enhances democracy as it assists those who are not wealthy to engage in elections.

- 1.1 Pursue the introduction of Canadian style electoral funding laws in NSW, including the introduction of publicly funded election advertising during the election campaign period.
- 1.2 To support ongoing administrative and campaigning costs throughout the electoral cycle an annual grant be made to registered parties and elected independent candidates based, in addition to reimbursement of election expenditure, on the vote they received in the last general election.
- 1.3 The maximum funding entitlement of a candidate or group to be calculated by reference to the number of votes or percentage of vote obtained.
- 1.4 No candidate or group is to receive more than half of the total pool of potential funding available for the electorate contested.
- 1.5 To assist new parties in particular each registered party should receive an annual base funding for party administration costs of approximately \$10,000 per annum.
- 1.6 To assist newly formed parties the threshold for electoral funding for parties or candidates contesting the upper house to be reduced to 2% of the vote while retaining the current level for candidates in the lower house at 4% of the vote.
- 1.7 Public funding in relation to political parties or their candidates should be paid to the registered political party. The party can determine distribution of funds to its branches or candidates according to its own rules.
- 1.8 Public funds should not be spent on personal private expenses.
- 1.9 Parties should be able to determine whether periodic public funding is spent on election campaigns or party administration costs.
- 1.10 Public finding should be extended on a reimbursement basis to local council elections with the suggested size of maximum funding pool for each council or ward the same as

applies for Legislative Assembly seats, adjusted according to the number of voters on the electoral roll for each council or ward.

1.11 All amounts to be indexed to the Consumer Price Index.

# Part B. Capping Electoral Expenditure and Third Party Expenditure

#### **Terms of Reference**

- (h) how public funding should apply as part of the broader scheme under which political donations are banned or capped;
- (i) whether there should be any regulation of expenditure by third parties on political advertising or communication;
- (p) any other related matters.

#### **Submissions**

The level of influence of political donors in New South Wales politics has increased dramatically over the last 20 years in order to support the parallel increase in electoral expenditure.

The NSW Election Funding Authority (NSWEFA) records show a total of \$64,793,858 of donations made to all political parties and candidates during the four year period leading up to the 2007 NSW state election.

- The Labor Party NSW branch declared \$27,647,388 in donations.
- The Liberal Party NSW branch declared \$29,585,696 in donations.
- All election candidates declared a further \$6,411,225 in donations. (62% of these donations were to Labor candidates, largely due to the fact that
- Liberal candidates did not declare any campaign donations)

The campaign expenditure declared for the same period by all candidates and parties totalled \$36,221,975.

- The Labor Party NSW branch spent \$16,819,116.
- The Liberal Party NSW branch spent only \$5,283,867.
- Labor Party candidates spent a further \$3,069,066, which was 30% of the total \$10,491,116 spent by all election candidates.

In total, Labor spent \$19,888,182, nearly four times as much as the Liberal party, in the lead up to the 2007 NSW state election.

If electoral funding reform only restricts the supply of private funds to politicians, but leaves unregulated ongoing demand for influential donations to support excessive electoral

expenditure, this conflict will produce powerful institutional pressures to circumvent the funding restrictions. To avoid this institutional conflict any meaningful electoral funding reform must also provide a reasonable cap on electoral expenditure.

There is strong community support for less wasteful and less oppressive electoral advertising and campaign expenditure in the lead up to elections in New South Wales. Genuine political debate can be engendered and real community information campaigns undertaken, without resort to blanket media broadcasting and saturation electronic and paper advertising campaigns. More considered, and less repetitive, campaigning materials would promote democracy and force candidates, their supporters and parties to more directly engage the electorate during any campaign period.

Another important reason for providing reasonable caps on electoral expenditure is one of equality and fairness. While it is recognised that, to some extent, the level of funding that a party or campaign is able to attract is some indication of the level of broader community support it has, it is not acceptable for any party or candidate to be in apposition to effectively "buy" an election by vastly outspending their opponents. Such elections are not contests of political ideas, but rather contests between political bank accounts. For any democracy to flourish controls should be put in place to discourage this practice.

For these reasons the Greens NSW firmly believe that reasonable electoral expenditure caps would enhance democracy, not hinder it.

If electoral expenditure restrictions are to be effective they must also apply to associated entities of political parties as well as third parties. Expenditure by associated entities of political parties must for these purposes be treated as expenditure by the political party itself.

Expenditure by genuine third parties is recognised as being in a separate category and must not only be tolerated, but should be encouraged in any pluralist democracy. Nevertheless, if electoral expenditure caps are to be placed on political parties then some form of reasonable expenditure caps must also be placed on third parties to ensure no one voice dominates a campaign.

Again international models, including the Canadian and New Zealand schemes provide positive and workable international models for New South Wales. Both these systems provide

for expenditure caps on both political parties and third parties in the period leading up to elections.

In New Zealand the cap on expenditure for individual candidates is \$20,000 and \$1 million for political parties. This means that a political party in New Zealand can spend up to \$2.38 million on its 'election expenses' - \$1 million plus \$20,000 for each of the 69 electorates contested by the party. Until recently the cap on third party expenditure in New Zealand was \$120,000.

In Canada the cap on expenditure is calculated based on the number of voters in each electorate. Third party advertising is also limited to \$150,000.

These workable and tested international models are excellent bases for a functioning and viable state scheme.

With a fixed four year term any electoral expenditure cap in New South Wales can apply with certainty for a period from three months before the election to election day.

Local government elections in New South Wales should also be subject to expenditure caps. These caps should be more modest reflecting the grassroots nature of local politics.

Again, to ensure the level of expenditure remain reasonable, all amounts must be automatically indexed to any annual increase in the Consumer Price Index.

- 2.1 Election expenditure for individual lower house candidates be capped at \$30,000 and the expenditure for a political party running a state wide campaign be capped at \$1 million (not including the expenditure of its lower house candidates).
- 2.2 Place a cap on local government election expenditure by candidates and a group of candidates at whichever is the greater amount of: 50 cents per voter, calculated on per capita basis according to the number of voters on the electoral roll in the local government area/ward, or \$10,000 per local council area or ward.
- 2.3 State-wide party expenditure for local government elections should be capped at \$500,000. This amount is separate from campaign expenditure incurred by the party's candidate or group of candidates for a local council area or ward.

- 2.4 Third party expenditure to be capped at \$100,000 for state-wide elections and a reasonable cap put in place for by-elections based on the number of registered voters.
- 2.5 A third party expenditure cap of \$5,000 in respect of any local government election in any given local council area or ward.
- 2.6 Election expenditure caps to apply for the three-month period up to and including an election to all candidates, registered political parties, third parties and associated entities.
- 2.7 The cap on expenditure should apply to defined electoral campaigning expenses, including electronic campaigning.
- 2.8 Expenditure caps should not apply to volunteer labour.

# Part C. Government Advertising

## **Terms of Reference**

(j) Whether there should be any additional regulation to ensure that government public information advertising is not used for partisan political purposes;

#### **Submissions**

The fact of incumbency, and access to government resources, must not be allowed to subvert the electoral process. For this reason government advertising, especially in the months leading up to an election campaign, must not be allowed to advance the governing party's partisan political agenda.

To limit this form of political influence strict criteria should be put in place to restrict government advertising. An additional safeguard is necessary to restrict government advertising campaigns in the three months preceding a general election. During this period government advertising should be subject to approval by the Auditor General who will approve advertising only if it meets previously determined criteria related to its public education value and general importance.

- 3.1 Settled legislative criteria be put in place to restrict government advertising to matters of genuine public education and general importance.
- 3.2 In the three months prior to and including a general election the NSW Auditor General to be given the power to determine if government advertisements should be publicly released, basing such decision on the public education value and general importance of the advertisements.

# Part D. Federal Considerations

#### **Terms of Reference**

(k) any implications arising from the federal nature of Australia's system of government and its political parties, including in relation to intra-party transfers of funds from federal and other state/territory units of political parties;

## **Submissions**

Clearly with a federal structure where other state or federal branches of a political party are not subject to electoral funding reforms there is a risk of political influence continuing to wielded by large individual and corporate donors who may seek to "funnel" their donations through these other branches to secure political influence in New South Wales. This practice can be readily addressed by careful legislation strictly limiting intra-party transfers of this type.

The Greens do recognise that there is some continuing role for intra party transfers to reflect the national structure of political parties. However to retain the integrity of any state-based system the level of such transfers to New South Wales must be modest; a restriction of \$10,000 per annum is considered reasonable.

Constitutional considerations are considered later in this submission.

#### Recommendations

3.3 State Registered political parties and associated entities be prohibited from receiving more than a total of \$10,000 per annum in assistance from all branches and levels of the party including at the Commonwealth level and in any other state.

# Part E. Compliance

#### **Terms of Reference**

(1) what provisions should be included in order to prevent avoidance and circumvention of any limits imposed by a public funding scheme;

## **Submissions**

No system of regulation can be effective unless it is enforced. At a minimum, effective and independent annual auditing of both donations and expenditure would be required. More regular disclosure would be required of expenditure during any election period. During this period continuous on-line disclosure of electoral expenditure should be mandatory.

The costs of compliance, including auditing expenses, must be considered in any public funding model.

Given the highly politicised nature of any allegation of non-compliance it would be appropriate for there to be an independent Commissioner(s) appointed to the election funding authority. Such a position would be modelled on the existing statutory position of the Director of Public Prosecutions. This officer would be given the role of general oversight of the electoral funding and expenditure scheme and standing to commence prosecutions for breaches.

Penalties for breach would depend on the seriousness of the breach. They would range from total or partial loss of public funding, confiscation of unlawful donations, hefty fines; and in extreme cases of over expenditure, disqualification as a candidate, councillor or member of parliament.

Given the potential serious consequences of any alleged breach, any prosecution for a substantial breach of the Act should be brought before an independent judicial body modelled on the Court of Disputed Returns.

## Recommendations

4.1 That an independent commissioner in the election funding authority, modelled on the statutory position of the Director of Public Prosecutions, be created with the role of general oversight of the scheme and standing to commence prosecutions for breaches.

- 4.2 Suggested penalties for breach to include total or partial loss of public funding; hefty fines, confiscation of unlawful donations, and in extreme cases of over expenditure disqualification as a candidate, councillor or member of parliament.
- 4.3 Penalties to be imposed by a court modelled on the Court of Disputed returns in cases where breaches of the electoral funding and expenditure rules are identified.
- 4.4 Expenditure of public funding on personal expenses ought to be prohibited.
- 4.5 To ensure compliance annual auditing of any party or candidate who receives public funding must be compulsory,
- 4.6 Continuous disclosure of electoral expenses to be required for the three-month period up to and including any election.
- 4.7 The costs of compliance to be considered in any public funding model.

## Part E. Constitutional Considerations

## Terms of Reference

(m)the compatibility of any proposed measures with the freedom of political communication that is implied under the Commonwealth Constitution,

- (o) any relevant reports and recommendations previously made by the Select Committee on Electoral and Political Party Funding; and
- (p) any other related matters.

## **Submissions**

Any electoral reform must be constitutional. This submission assumes, conservatively, that the High Court would find that:

- (a) The Constitution, of either or both New South Wales and/or the Commonwealth, implies that New South Wales will be a democracy and for such a democracy to be workable there is an implied right to freedom of political communication in New South Wales<sup>1</sup>; and
- (b) Any law seeking to limit political donations or political expenditure would be found to burden the implied freedom of political communication; and
- (c) Such a law would only survive challenge to the extent that it was reasonably appropriate and adapted to serve a legitimate end which is compatible with the maintenance of representative and responsible government.

It is notable that there is currently in place a legislated expenditure cap in Tasmania<sup>2</sup>. This legislation is not only effective, it has also not been the subject of any successful legal challenge<sup>3</sup>. Expenditure caps have also historically been applied in both Victoria<sup>4</sup> and Western Australia<sup>5</sup>.

Expenditure caps have traditionally been in force at Commonwealth elections for the great majority of the existence of the federation. They were first legislated in 1902<sup>6</sup> and survived

See Australian Capital Television v Commonwealth (1992) 177 <u>CLR</u> 106, Lange v Australian Broadcasting Corporation (1997) 189 <u>CLR</u> 520, Stephens v West Australian Newspapers Ltd (1994) 182 CLR 211.

<sup>&</sup>lt;sup>2</sup> Currently Part 6 of the *Electoral Act* 2004, mirrors previous provisions in the *Electoral Act* 1985.

See for example Attorney-General v Liberal Party of Australia, Tas Division [1982] Tas R 60.

Until repealed in 2002.

<sup>5</sup> Until repealed in 1979.

<sup>6</sup> Commonwealth Electoral Act 1902

without legal challenge until being repealed in 1980.<sup>7</sup> They were repealed not because of any constitutional concerns, but rather because the limits were set at too low a level (having not been raised for over 30 years) and were simply being ignored by most candidates. However the fact that they were put in place in the first term of the Federal Government shows that they were considered to be a reasonable and appropriate measure to promote democracy by the very persons who were the drafters of the Constitution.

Internationally, expenditure limits apply in democracies comparable to New South Wales including New Zealand, Canada and the United Kingdom<sup>8</sup>. In Canada, which has a similar federal structure to Australia and explicit, not implied, protections for free speech, the <u>Supreme Court of Canada</u> ruled in 2004<sup>9</sup> that <u>Canada's Elections Act</u> spending limits on third party election advertising do not violate the protections in the <u>Canadian Charter of Rights and Freedoms</u>.

Given this long history of national and international precedents for electoral funding and expenditure regulation, there is clearly scope for New South Wales to effectively legislate for such reforms at a State level.

This submission does not support complete bans on personal donations; it accepts that such a position would likely not meet the constitutional test for validity. It would also not be consistent with a progressive democracy. However a modest cap on donations for individuals that allows a citizen to express his or her support for a political party, without obtaining undue influence over that party, would, it is submitted, be likely to survive legal challenge. A reasonable level would in the order of \$1,000 per annum. Corporations of course do not have any right to take part in elections and bans on corporate donations do not face similar restrictions.

Caps on electoral expenditure by registered political parties and associated entitles not only have longstanding acceptance in Australia, they would also be likely found valid provided they permitted a reasonable level of expenditure that allowed effective political communication. The caps proposed in this submission are considered to be reasonable.

Commonwealth Electoral Amendment Act 1980

<sup>8</sup> Political Parties, Elections and Referendums Act 2000

<sup>9</sup> See Harper v. Canada (Attorney General), [2004] 1 S.C.R. 827, 2004 SCC 33

Finally, caps on third party expenditure, as part of a general package of reforms are, it is submitted, a reasonable and legitimate restriction. This is especially the case if they are done as part of comprehensive reform as suggested in this submission as the relative voice for such third parties will be significantly increased by reason of the lesser spending power of the registered political parties and their associated entities. Again, while real care must be taken in this regard, the caps proposed on third party expenditure in this submission are considered to be reasonable.

Of course any state-based reforms would be strengthened and enhanced by similar responses in other states and at a Commonwealth level. To foster this outcome New South Wales should take a leadership role in bringing about uniform state and federal electoral funding and expenditure reform throughout Australia.

- 5.1 That New South Wales immediately undertake to legislate a comprehensive state wide system for electoral funding and expenditure reform, irrespective of actions taken by other states or at the federal level.
- 5.2 That New South Wales take a leadership role in bringing about uniform state and federal electoral funding and expenditure reform in Australia.

# Part E. Conclusion

Political donations, and excessive political campaign expenditure, have eroded the democratic process. If we want a thriving, democratic society where the public has faith in politicians and their decisions, many changes must be made to the electoral funding and expenditure system in Australia. These changes include bans on donations from corporations and other organisations, limits on donations from individuals and caps on electoral spending.

Decisions by governments must be based on the common good, not the needs and wishes of powerful interest groups.

The government in New South Wales has committed itself to electoral funding and expenditure reform. The people of this State expect this inquiry to lead to immediate and real reforms and will not tolerate inaction based on alleged legal or practical impediments.

25 January 2010

David Shoebridge, Convenor

On behalf of The Greens NSW