

**Submission
No 12**

INQUIRY INTO PUBLIC FUNDING OF ELECTION CAMPAIGNS

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Submission to

**JOINT STANDING COMMITTEE ON ELECTORAL MATTERS:
INQUIRY INTO PUBLIC FUNDING OF ELECTION CAMPAIGNS**

To:

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

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ASH Australia

Action on Smoking and Health Australia is a Sydney-based non-government national 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, 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, 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 inquiry into Public Funding of Election Campaigns. We have previously made submissions to the NSW Parliament Select Committee Inquiry (2008) and to the Federal Green Paper process including giving evidence at a roundtable convened by the federal Parliament's Joint Standing Committee on Electoral Matters (see <http://www.aph.gov.au/hansard/joint/committee/J11974.pdf>).

We agree with the NSW Parliament Select Committee that "there must be significant reform of the electoral funding scheme, and in particular, tighter regulation of political donations." We endorse the committee's recommendations, including:

- A ban on political donations by corporations and other organisations;
- Only small donations by individuals permitted;
- Election spending capped;
- Political donations and election spending subject to timely, transparent, accessible disclosure; and
- Greater policing of electoral funding, and tougher penalties for non-compliance.

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 damage public confidence in government by wielding influence that ordinary people and community groups cannot afford.

Political donations have created distrust and a public perception that governmental decisions are skewed towards wealthy interests and against independent evidence and wider community opinion.

While we support the introduction of a comprehensive public funding model, 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 countries including New Zealand, Canada, Germany and the UK have acted to reform electoral funding, so there is no reason why the NSW Government should continue to lag behind or offer piecemeal solutions. The current Election Funding and Disclosures Amendment (Property Developers Prohibition) Bill 2009 is a partial solution only and wide open to exploitation. Much more comprehensive reform is needed as part of a general scheme applying to all political parties and candidates at state and local government levels.

We note Queensland's recent announcement of reforms including a \$1000 a year cap on individual donations and the appointment of an Integrity Commissioner. We urge NSW to end the

long delays over addressing the problems in our state and to work collaboratively with the federal government to achieve harmonious reforms.

Recommendations

ASH Australia, after consultation with experts and other non-government organisations, and in view of actions taken in other countries, 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 meetings of the Council of Australian Governments to advance reforms.

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 terms of reference are very specific and as we are health advocates and not experts in political reform, we recommend that further advice be sought from:

- A convened body of academics and independent experts with terms of reference to develop a detailed best practice model for NSW; and
- Members of the public using such means as a Citizens Forum and population surveys to monitor and evaluate public opinion on the proposed new model.

As millions of dollars in public funding is at stake, we can say, however, we support greater transparency and limits on public funding including: only audited, legitimate campaign expenses to be reimbursed; expenditure caps should cover four year election cycles for state governments and local government with links to CPI; caps should be applied to candidates as well as to political parties running state-wide campaigns; and caps should be applied to transfers between divisions of all levels of parties in each state.

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 both experts in electoral reform, public interest groups and the people of NSW in general.

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Dr Matthew Peters MD FRACP
Chairman, ASH Australia

A handwritten signature in black ink that reads "Anne Jones". The signature is written in a cursive style.

Anne Jones
Chief Executive Officer, ASH Australia