

**Submission
No 144**

INQUIRY INTO ELECTORAL AND POLITICAL PARTY FUNDING

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The current Australian political financing system creates inequities between people and between parties and undermines our democratic process. Large donations to parties are damaging public confidence in government, buying access to politicians that ordinary people and community groups cannot afford. This unbalances our democracy, often leading to governmental decisions skewed towards wealthy interests and against independent evidence and wider public interest.

If there is to be a “fair go” in Australian politics, these inequities need to be addressed. The following reforms are recommended:

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 the Election Funding Authority;
 - (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. Limits on donations, such as no more than \$1,000 per year per donor.
3. Either a total ban or at least limits on political donations from organisations, including corporations and trade unions; and a total ban on donations from foreign or trans-national entities.
4. Caps on total electoral spending by all parties and candidates; and tighter controls over “independent” campaign spending by the supporters of political parties and candidates.
5. An independent committee to monitor all government advertising campaigns and ensure that public funds so spent are for the purposes of public education, not political gain.
6. In local government, introduction of public funding, conditional on compliance with caps on private funding and transparent disclosure prior to elections.
7. Increased penalties for breaching political funding laws.
8. Adequate funding to the EFA to enforce these laws.
9. Political donations no longer tax deductible – as proposed by the Assistant Federal Treasurer.
10. NSW Parliament to recommend to the Federal Government that a National Summit be convened to develop a national strategy to fundamentally reform - at federal, state/territory and local government levels - legislation in this area; measures 1-9 above should form the basis of the NSW position at the national level. This Summit should include not just politicians but a wide range of legal experts, academics and community representatives; it should be allowed sufficient time for proper consideration and comprehensive debate of all reform options.

David Serisier