

**Submission
No 139**

INQUIRY INTO ELECTORAL AND POLITICAL PARTY FUNDING

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Select Committee on Electoral and Political Funding

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Attention of
Revd the Hon Fred Nile MLC,

It is clear that the current regulations surrounding electoral and political funding need an overhaul to restore fairness, transparency and a sense of trust in our democratic processes.

Private funding (political donations)

Full disclosure of political donations must be enforced to ensure that Members of Parliament are above suspicion and not unduly influenced in the undertaking of their representative duties.

- Compulsory disclosure of political donations must be full and complete. Currently it is possible to attribute donations to party branches without disclosing where the money has originated.
- Candidates should be required to disclose political contributions a week before the election to ensure the public is fully informed as to the candidates funding sources.

Public Funding

- The requirement that parties or candidates must receive at least 4% of the eligible first preference vote should be retained. While the requirement may be considered a disincentive to genuine candidates not financed by a major party, this could be overcome if the vast sums spent on campaigns were reined in and limits were placed on the amount and cost of campaign materials.
- There appears to be no obvious value in the Political Education Fund beyond a slush fund for the promotion of political parties.
- Tax deductibility for political donations should be abolished. Politics is not a charity.

Election expenditure amounts

While I agree that a cap should be placed on election expenditure it would seem difficult to achieve given that current spending levels are not dealt with in a transparent fashion.

In addition, the caps that have been suggested in the public debate are plainly geared to bring greater parity between major political parties and would still be well beyond the means of Independent or small-party candidates.

A more transparent way of reining in expenditure would be to limit the amount of advertising/campaign material candidates could produce. A formula that stipulated the number of hours that a candidate could devote to radio/television/print, for instance, would be much easier to monitor and make it more difficult to “hide” campaign outlays.

Limitations are already placed on the size of election posters in certain circumstances. It is entirely possible to limit the number of posters and corflutes that are erected. This would also reduce a cause of growing community outrage (the proliferation of election posters throughout CBDs, residential areas and along roadways).

I would take this even further and suggest that pre-poll and how-to-vote material be restricted. As the chair of Keep Australia Beautiful NSW I am particularly concerned about the wastage.

NSW can take a lead in this regard. Candidates for instance should be restricted to one poster at every entrance to a polling centre. Each candidate should be restricted to setting up one table per booth that sets out How to Vote information. How to Vote flyers should be abolished or severely limited in number, encouraging candidates to re-use them throughout the course of polling day.

Election expenditure disclosure

The current system simply does not work. In the 2004 Dubbo by-election, for instance, the Nationals candidate had, despite the distribution of copious amounts of election material, apparently spent \$0 on postage.

Similarly anomalies are often found in matters of fuel, printing etc. Candidates can out spend their opponents 2:1 in radio and print advertising and yet there is no discernible difference when expenditure reports are released.

While this is not a criticism of individual candidates it is patently clear that large amounts of expenditure can be “hidden” under the current system.

For instance, it appears that the head office of political parties can apparently pick up the tab for major costs giving a false impression of campaign spending at an electorate level.

Furthermore, in the last State Election, “unauthorised material” that was blatantly party political was distributed throughout electorates. It is unlikely that any of this was disclosed in expenditure reports.

While all candidates and MPs know these irregularities exist it is virtually impossible for those who do not have the backing of a party machine, to keep track of the spending by other candidates during a campaign, and therefore impossible to prove afterwards.

The upshot is that election expenditure reports are virtually worthless as an accurate picture of campaign spending.

Yours sincerely
Dawn Fardell MP
Member for Dubbo