

**Submission
No 21**

**INQUIRY INTO PROVISIONS OF THE ELECTION
FUNDING, EXPENDITURE AND DISCLOSURES BILL
2011**

Organisation: Christian Democratic Party
Name: Mr Ian Smith
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CHRISTIAN DEMOCRATIC PARTY

SUBMISSION

FOR

INQUIRY INTO THE PROVISIONS OF THE ELECTION FUNDING, EXPENDITURE

AND DISCLOSURE AMENDMENT BILL 2011

Ian Smith
Party Agent/Treasurer

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EXECUTIVE SUMMARY

The position of the Christian Democratic Party (CDP) can best be summed up in the words of its Leader, Rev Hon Fred Nile MLC when he stated his support for this Inquiry to Parliament on 23 November 2011 (refer ANNEX A).

The CDP perceives that there will be consequences with the Amendment Bill. Instead of making the political funding arena more transparent and less corruptible, it could cause the opposite and restrict the involvement of a wider section of the community. Specifically:-

1. The CDP supports in principle the proposed legislation which aims to remove the anomaly introduced in existing legislation by the Labor Party which allowed inequitable levels of political expenditure via Trade Unions compared to other organisations.
2. The consequences of the wording used to remove this anomaly go far beyond what may have been intended by restricting the involvement of genuine community-based organisations in political debate.
3. The proposed legislation will further encourage the ‘privatisation’ of the political process via large benefactor organisations and individuals outside the auspices of the Electoral Commission and the Election Funding Authority.
4. Donations from non-individuals should be allowed but this should be at a level equal to that permitted from individuals. It should only be allowed by the ‘parent’ organisation and not any ‘subsidiary’ organisation(s).
5. Legislation should be enhanced to allow for a much wider review of what could be deemed electoral communication expenditure and ‘donations and fundraising’ for political purposes that are generated outside political party structures.

SUBMISSION

1. Donation and Expenditure Transparency

We believe that at the heart of the current Amendment Bill and recent Election Funding legislative changes, there has been the genuine desire to achieve a framework that removes both the perception of possible corrupt influences on the political process and also any opportunities for actual corruption.

Unfortunately, there appears to be an on-going push to ‘privatise’ (or circumvent) the electoral process through the establishment of numerous Forums, Industry Groups, Trusts and Associations – all with the express aim of influencing the political agenda in one direction, while still remaining outside the Electoral Commission’s reporting regime.

The umbrella of Electoral Commission’s authority must be widened to encompass such organisations. If this is not done, then the wider community will be subject to a biased influence from unreported electoral communication expenditure in the lead-up to elections. Some Political Parties will be significantly disadvantaged when “big money” organisations and individuals use these alternative ways to benefit the opponent(s).

Recommendation 1

Expand the definition of ‘affiliated organisations’ to include all these ‘external’ organisations and include their funding and expenditure under the relevant Party donation and expenditure caps.

Recommendation 2

The EFA generate an on-line facility whereby Reportable Donations (including Fundraising payments) are recorded within 14 days of being banked to create an increased degree of accountability and transparency by being accessible for information only to the media and general public.

2. Donations and Affiliation Fees from Community-based Organisations

The CDP receives the majority of its donation funds from individuals, but a significant amount (approximately 15%) comes from churches, companies or other organisations. The current amendment would stop this source of funding which for smaller Parties (such as CDP) would

curtail some of their current activities and thereby reduce their ability to promote an alternative viewpoint.

For a Party such as the Shooters and Fishers Party, we understand that the majority of its funding comes via a few sizable affiliation fees from Shooting and Fishing Associations. The current amendment would drastically impact that Party's electoral operations and diminish the opportunity for that Party's supporters to be fairly represented in the political debate.

Recommendation 3

Donations from non-individuals should be allowed to the same level as that permitted for individuals; and this should only be allowed by the 'parent' organisation and not any 'subsidiary' organisation(s) in order to prevent funneling of donations via subsidiaries.

Recommendation 4

The affiliation fees from Community organisations should be allowed up to a maximum amount (\$50,000) per year per 'parent' community organisation. This recommendation is to prevent numerous subsidiary organisations being used as a means to increase this amount.

Annex A

SELECT COMMITTEE ON THE PROVISIONS OF THE ELECTION FUNDING, EXPENDITURE AND DISCLOSURES AMENDMENT BILL 2011

SPEECH – REV HON FRED NILE

Reverend the Hon. FRED NILE [12.32 p.m.]: The Christian Democratic Party supports in principle the Election Funding, Expenditure and Disclosures Amendment Bill 2011. The second object of the bill, which is to prohibit political donations from corporations or other entities, is the provision of concern to the Government and the Shooters and Fishers Party. It seems that the bill will have an unintended impact on what I would regard as community organisations, as distinct from business corporations. We have been working on this measure for some years, and I understand the intention of this amendment is to eliminate corruption through donations by corporations influencing government decisions. There is evidence of that happening during the 16 years of the previous Labor Government. We do not want that to happen again. So I understand and support the intention of the Government to do all it can to prevent that occurring, even though there are allegations that similar influences were at work in businesses and firms that support the Liberal Party.

I also support in principle the referral of the bill to a select committee comprising four Government members, three Opposition members, the Hon. Robert Borsak of the Shooters and Fishers Party, with The Greens Dr John Kaye as Chair of the committee, recognising that The Greens have had an interest in this issue for many years. Because the bill could have what I regard as unintended consequences—some may have been intended by the Government, but I will put them at the level of unintended consequences—it is better to have an inquiry, with the community having the opportunity to give evidence and make submissions to the inquiry, to find a way forward and to enable genuine community organisations, such as shooters' clubs and so on, to participate in the electoral process. I do not believe that donations made by those clubs have any influence on government legislation as such. Therefore the Christian Democratic Party supports the bill in principle and also supports referral of the bill to the select committee.

(Source: Hansard 23 November 2011

http://www.parliament.nsw.gov.au/prod/parliament/hansart.nsf/V3Key/LC20111123022?open&refNavID=HA8_1)