

**Submission  
No 23**

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

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Electrical Trades Union of Australia, NSW Branch  
Submission to the  
NSW Legislative Council Select Committee

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Election Funding, Expenditure and Disclosures  
Amendment Bill 2011

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### 1. Introduction

The Electrical Trades Union of Australia, NSW Branch (ETU) supports the ongoing reform of electoral funding laws that enhance and provide all NSW residents with the opportunity to participate in the democratic system of government while at the same time enforcing a stringent and transparent reporting procedure.

The ETU does not support any reform that would limit or restrict the ability of NSW residents, including members of industrial, recreational, special interest and not for profit organisations, to collectively participate in the electoral process. This would include placing restrictions on their ability to voice their opinion, actively campaign or endorse candidates that best represent the interest of individuals or a group.

Due to the constant evolution of our democratic system it is only logical that periodic reviews of the electoral funding and disclosure laws be undertaken to ensure the system remains current, relevant and transparent. The ETU welcomes these periodic reviews, but believes any review should be undertaken with the aim of enhancing the democratic process, not restricting or limiting ways in which the people of NSW can actively or passively participate in the electoral process.

The most recent review occurred in 2010 which saw the introduction of “Third Party Campaigners”. The introduction of this new classification was accompanied by the introduction of stringent and transparent reporting requirements. While not perfect these reforms provide community and member based groups, including trade unions, with the ability to actively participate in the political process.

The ETU has serious concerns over the Electoral Funding, Expenditure and Disclosures Amendment Bill 2011 and its possible impacts, these concerns will be outline in this submission.

## 2. The ETU and political affiliation

The ETU was formed in 1902 to represent electricians and electrical workers in NSW.

Today the ETU is a member based organisation representing the industrial and social interests of some 20,000 licenced electricians and electrical workers across the state.

Since its formation in 1902 the ETU has been an active participant in the democratic political process at all levels of government. Government plays an essential role in areas such as occupational health and safety and the regulation of the electrical industry. As such there remains a need for the ETU to be active in the areas of political and social policy.

It is true that the ETU is affiliated with the Labor Party. However this has not always been the case and is not guaranteed in the future. The most recent example of disaffiliation was in 1990 when the NSW Branch of the ETU disaffiliated from the Labor Party over proposed electrical licensing reforms following the publication of the Tregillis Report.

The issue of political affiliation is taken seriously within the ETU and remains a matter for members. As recently as February 2011 the policy making body of the NSW Branch of the ETU, the biennial conference made up of 120 delegates from all industries and sub-branches, actively debated the issue of political affiliation.

The 2011 biennial conference resolved to continue affiliation with the Labor Party.

While the ETU maintains political affiliation this does not stop the ETU from voicing free and frank opinions in the policy arena. The ETU in NSW has actively campaigned against Labor Governments on issues such as workers compensation (Unsworth Govt. 1987, Carr Govt. 2001) and electricity privatisation (Carr Govt. 1997, Iemma Govt. 2007, Rees/Keneally Govt. 2010).

During the 2011 NSW Election the ETU indicated it would support individual candidates in individual seats that supported the Better Services for a Better State campaign and the interests of ETU members.

Around Australia the ETU maintains a mix of policies with some state branches deciding to affiliate with a political party while others remain unaffiliated but reserve the right to make donations to any political party or independent candidate.

## 3. Ability to represent members

The ETU has represented electricians and energy industry workers for more than 100 years. During this time the union has effectively represented the interest of members through active campaigns, often independent from any political party in areas of policy important to our members.

Just as peak industry bodies in the electrical industry, such as the National Electrical Contractors Association (NECA), Energy Users Association of Australia (EUAA), Infrastructure Partnerships Australia (IPA), Industry Australia Group (IAG), NSW Business

Chamber and the Sydney Business Chamber, run third party campaigns and contribute financially to political parties, the ETU believes that trade unions, community organisation and not for profit member based groups should have the opportunity to advance the political and social arguments of those they represent through independent third party campaigns, political affiliation and political donations.

To this end, the ETU believes NSW residents must have the right to exercise their collective political voice through a variety of associations including special interest groups, community based organisations, recreational groups, the church or trade unions.

The ETU believes that the proposed amendments will limit the ability of these groups to fully represent members in the democratic political process.

Many of the ETU's campaigns revolve around specific industrial issues however under the proposed changes these industrial campaigns may be deemed to be political campaigns and thus restrict campaign activity or eliminate all together the union's ability to publicly promote alternative policy positions.

The ETU is currently affiliated with a political party by way of a membership resolution, under the proposed amendments the ETU will be placed at a significant disadvantage as any expenditure on a campaign that may be deemed to be political will be considered as a part of the affiliated political party's spending cap.

This is will have a negative impact for ETU members by limiting the union's ability to properly represent the interest of members and promote relevant policies. These reforms will effectively reduce or eliminate political debate through the elimination of differing policy view points.

Unions were born out of likeminded people pooling resources and joining together as a collective to provide a strong and effective voice across a wide range of issues, this underlying principle remains at the core of the union movement today.

For more than 100 years workers have been able to collectively voice their concerns through their union. For more than 100 years union members have enjoyed freedom of association and freedom of speech in the political process and for more than 100 years unions have been an effective and constructive participant in the Australian democratic political process. These reforms will place this robust system in jeopardy.

Unions and other not for profit NGO's often represent some of the weakest and most vulnerable people in society. The ETU believes these reforms will have a detrimental effect on broad political participation. In NSW the number of individuals that can and do participate financially in the political process is miniscule.

Limiting financial donations to individuals will limit the ability for the most vulnerable people in society to collectively participate in the political process. Unions, through their collective voice and pooling of resources give these people and many others the opportunity to participate in the political process by promoting alternative policy positions.

While the ETU supports reforms to strengthen and broaden political participation, the ETU believes that the reforms as proposed will reduce political participation, unfairly skew political representation and limit the ability of unions and other member based organisations, including environmental, recreational and special interest groups, from effectively participating and representing their members in the democratic political process.

#### 4. Summary

The ETU believes that the intent of the proposed reforms is to specifically target and eliminate the ability of trade unions to actively participate in the political process through effective third party campaigns, political affiliation and political donations, despite these actions often being the result of a democratic decision of the union's members.

Should these amendments be supported in their current form, the ability of the most vulnerable in society to participate in our political process and have their collective voices heard will be significantly diminished. It is likely that high wealth individuals will gain an advantage through their ability to fund and promote particular policies while remaining unencumbered to make political donations.

This outcome will mean an overwhelming minority, those who do not have any financial constraints, will have a disproportionate influence over the policy agenda and debate in what should be a free, fair, transparent and democratic process.

Such an outcome would be detrimental to the principles of an open democracy upon which the Australian Constitution and Australian society are so firmly based. These amendments remove the much loved Australian principle of "*a fair go for all*".

Generally speaking the ETU believes these amendments will negatively impact on trade unions, community groups and other member based organisations, by limiting their ability to affiliate to political parties, conduct important third party campaigns and make political donations.

The democratic political system within NSW has worked well for more than 100 years however these amendments appear to be aimed at reducing the rights of a selected group of member based organisations, in particular "industrial organisations" or as we know them trade unions.

The ETU believes these amendments are not in the best interest of NSW residents. The ETU believes that the amendments may not be constitutionally legal and may be open to legal challenge. The ETU further believes that should these amendments proceed as drafted the democratic political process in NSW as we currently know it will be weakened.