

Submission  
No 1

**INQUIRY INTO BUDGET PROCESS FOR INDEPENDENT  
OVERSIGHT BODIES AND THE PARLIAMENT OF NEW  
SOUTH WALES**

**Organisation:** Centre for Public Integrity

**Date Received:** 6 November 2019

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## Protecting the integrity of accountability institutions

### Background

Australia's democracy rests on the principles that the people are sovereign and power is exercised under the rule of law. The integrity of key institutions safeguard these principles by upholding accountability, open government, just laws and impartial dispute resolution.

These accountability institutions need to be strong and independent. They include:

- Parliament
- Judiciary and the Administrative Appeals Tribunal
- Public service
- Media and public broadcasting
- Electoral commissions
- Voting and electoral regulations, including political donations and lobbying regulations
- Anti-corruption commissions
- Royal Commissions
- Charities and advocacy organisations
- Statutory authorities, including state and federal audit offices, ombudsman offices, Australian Information Commissioner, Australian Competition and Consumer Commission, Law Reform Commissions, Australian Bureau of Statistics, Human Rights Commission, Fair Work Commission, CSIRO

These institutions are important not only because they ensure actual accountability, transparency and good governance, but because they build confidence and trust within the Australian community. When this confidence and trust is diminished, divisiveness and conflict increase. This impacts social cohesiveness and the economy, and the welfare of all Australians suffers. Ultimately, as international experience has shown, it is a threat to democracy itself.

Over recent years each of the integrity institutions listed above has come under sustained pressure. Attacks on integrity institutions come in many forms, including weakened powers or jurisdiction, funding cuts, 'dud' or bias appointments to senior positions, or personal attacks on officials. Examples include Federal Ministers attempting to influence the Victorian Court of Appeal in 2017 terrorism cases, the sustained funding cuts and personal attacks on the ABC, and the de-skilling of the public service through outsourcing of up to 50% of government departments to contractors.

### Reforms needed

Reforms are needed to protect the integrity of accountability institutions that are currently being undermined and attacked. Accountability institutions need to be independent, well resourced, strong, and protected from political attacks.

## Principles for protecting the integrity of our accountability institutions

1. Independence from government
2. Freedom from political attacks
  - a. Protection from political retribution
3. Secure and sufficient funding
  - a. Multi-year funding provided
4. Broad jurisdiction and strong powers
5. Secure tenure of senior officials
6. Non-partisan appointments
  - a. Merit based
  - b. Fair and transparent appointment processes
7. Transparency and compliance
  - a. Public access to accountability institutions' advice to government
  - b. Ability for accountability institutions to request progress reports from government on integrity recommendations
8. Stronger recognition of the public benefit of advocacy as a charitable purpose
9. Independent from commercial interests
  - a. Proper funding of public broadcasters
  - b. Diversity in media ownership to break current duopoly
  - c. Close the revolving door between big 4 consultancies and public service, and industry and regulators
10. Mandatory reporting of public sector misconduct to a National Integrity Commission
  - a. Adequate protection of whistle-blowers
  - b. Retribution for failure to report to NIC

## Accountability institutions under attack

### The Judiciary

The judiciary is the foremost integrity institution in Australia, established in the constitution as the third pillar of the separation of powers.

The independence of the judiciary has been threatened by political interference in a number of recent terrorism, immigration and street crime cases. In June 2017 three Federal Government Ministers described Victorian Court of Appeal judges hearing a terrorism case as "hard left activists", "divorced from reality", and "conducting an ideological experiment."<sup>1</sup> The Prime Minister Malcolm Turnbull supported his Minister's comments, noting "The courts cannot be and are not immune from criticism which may extend to robust observations of a particular decision or penalty... in a free society a person is entitled to criticise the conduct of the courts or of a judge."<sup>2</sup>

In June 2017 a delegation of the Minister for Immigration Peter Dutton attempted to intervene in an immigration case before the Administrative Appeals Tribunal. The Immigration

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<sup>1</sup> Wahlquist, 2017, *Coalition ministers' comments about Victoria terrorism sentencing 'inappropriate'*, The Guardian 13<sup>th</sup> June 2017, <https://www.theguardian.com/australia-news/2017/jun/13/victoria-terrorism-sentencing-coalition-ministers-chastised-for-inappropriate-comments>

<sup>2</sup> Murphy, 2017, *Turnbull must explain comments endorsing minister's criticism of judiciary, says Labor*, The Guardian 18<sup>th</sup> June 2017, <https://www.theguardian.com/australia-news/2017/jun/18/turnbull-must-explain-comments-endorsing-ministers-criticism-of-judiciary-says-labor>

Minister's delegation cancelled an immigration visa a number of times despite the AAT overturning the deportation order twice.<sup>3</sup> AAT Justice John Logan said independent courts and tribunals acted as "checks on the exercise of arbitrary power" and resisting government pressure "may call at times for singular moral courage and depth of character".<sup>4</sup> In his review of the AAT, the Hon Ian Callinan AC recommended that appointments to the AAT be based on merit only and require legal qualifications, responding to concerns that the Federal Government has interfered in appointments in the past.<sup>5</sup>

In January 2018, Minister Dutton again made comments on the Victorian judiciary, in relation to the sentencing of those convicted of street crimes. Minister Dutton said that there is a "problem with some of the judges and magistrates ... and some of the bail decisions" and accused the judiciary of handing down "soft sentences".<sup>6</sup>

The Victorian Bar, the Victorian Law Institute and the Law Council of Australia have all made statements criticising this political interference. Law Council of Australia former President Morry Bailes has said, "there is no place for political attacks on the judiciary undermining the independence of judges and magistrate. It is understood that in our free society informed comment on judicial decisions is part of normal discourse, but politicised criticism undermines the foundations of the democratic system which must be closely guarded by all, especially those in government."<sup>7</sup>

## **The Public Service**

The public service is the governance body that advises on, develops and implements government policy. Established for long term governance, the public service is not tied to election cycles and party politics. This means it provides independent accountability from within government, by advising Ministers and ensuring continuity of policies and public services.

Recent cases of conflicts between Ministers and senior public servants raises questions over the integrity of the executive's relationship to the public service. Allegations of partisan appointments to senior positions raise concerns about the independence of the public service. Continual funding cuts and increasing rates of outsourcing of core public service tasks undermine the ability of the public service to fulfil its function.

In October 2016, Solicitor General Justin Gleeson resigned stating that "the best interests of the Commonwealth can be served only when its first and second Law Officers enjoy each

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<sup>3</sup> Doherty, 2017, *Judge defends independence of courts in wake of Dutton comments*, The Guardian 19<sup>th</sup> June 2017, <https://www.theguardian.com/australia-news/2017/jun/19/judge-defends-independence-of-courts-in-wake-of-dutton-comments>

<sup>4</sup> Doherty, 2017, *Judge defends independence of courts in wake of Dutton comments*, The Guardian 19<sup>th</sup> June 2017, <https://www.theguardian.com/australia-news/2017/jun/19/judge-defends-independence-of-courts-in-wake-of-dutton-comments>

<sup>5</sup> Whitbourn, 2019, *Non-lawyers should be barred from AAT, former High Court judge says*, Sydney Morning Herald 23<sup>rd</sup> July 2019, <https://www.smh.com.au/national/non-lawyers-should-be-barred-from-aat-former-high-court-judge-says-20190723-p52a1c.html>

<sup>6</sup> Remeikis, 2018, *Law body worried over attack on judiciary as Dutton steps up 'African gangs' rhetoric*, The Guardian 12<sup>th</sup> January 2018, <https://www.theguardian.com/australia-news/2018/jan/12/law-body-worried-over-attack-on-judiciary-as-dutton-steps-up-african-gangs-rhetoric>

<sup>7</sup> Karp, 2018, *Legal body says rule of law threatened after Dutton's criticism of judiciary*, The Guardian 15<sup>th</sup> January, <https://www.theguardian.com/australia-news/2018/jan/15/legal-body-says-rule-of-law-threatened-after-duttons-criticism-of-judiciary>

other's complete trust and confidence within a mutually respectful relationship."<sup>8</sup> The resignation came as a result of Attorney General George Brandis not properly consulting the Solicitor General on proposed changes to citizenship laws.<sup>9</sup>

In March 2015, secretary of the Agricultural Department, Paul Grimes, was dismissed after he questioned the integrity of Agricultural Minister Barnaby Joyce. Minister Joyce's office had requested changes be made to the Hansard regarding a drought relief for households. 10 days before being dismissed, Dr Grimes wrote a letter to the Minister advising "that I no longer have confidence in my capacity to resolve matters relating to integrity with you... This follows the sequence of events before and following the alterations to Hansard that were made in October 2014... As I have conducted myself appropriately at all times, I have no intention of resigning or stepping aside."<sup>10</sup>

Prime Minister Scott Morrison has discouraged public servants from performing their role as independent advisers holding government to account, with a recent speech to the Institute of Public Administration focusing on unhindered Ministerial executive power. Mr Morrison used the speech to demand that once the government sets its policy direction he "expects them to get on and deliver it" and warn public servants that they must be "an enabler of government policy not an obstacle."<sup>11</sup>

The 2019-2020 federal budget included \$1.5 billion funding cuts to the public service over 4 years, with estimations showing this would lead to 3000 job losses.<sup>12</sup> The public service has faced regular funding cuts over the past decade.

Allegations of partisan appointments to senior roles raise concerns over the independence of the public service. Former Chief of Staff to Treasurer Peter Costello, Philip Gaetjens, was appointed as Secretary to the Department of Premier and Cabinet in September 2019.<sup>13</sup> Former Chief of Staff to Prime Minister Malcolm Turnbull, Peter Woolcott, was appointed as Australian Public Service Commissioner in August 2018.<sup>14</sup>

In addition, the outsourcing of government services has almost doubled to \$47.4 billion in 2016-17. Senate estimates and a report from the Auditor General has found that 50% of the defence department staff, 50% of NDIS staff, 25% of ATO staff and 25% of Commonwealth DPP staff are contractors or from labour hire companies. There is little transparency of

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<sup>8</sup> ABC, 2016, *Role of Solicitor General has been damaged*, 25<sup>th</sup> October 2016, <http://www.abc.net.au/news/2016-10-25/opinion-role-of-australia-solicitor-general-has-been-damaged/7962088>

<sup>9</sup> Murphy, 2016, *George Brandis contradicts solicitor general and says Justin Gleeson was consulted*, The Guardian 6<sup>th</sup> October 2016, <https://www.theguardian.com/australia-news/2016/oct/06/george-brandis-contradicts-solicitor-general-and-says-justin-gleeson-was-consulted>

<sup>10</sup> Aston, 2016, *Agriculture Department head questioned Barnaby Joyce's integrity days before being sacked*, Sydney Morning Herald 24<sup>th</sup> October 2016, <http://www.smh.com.au/federal-politics/political-news/agriculture-department-head-paul-grimes-questioned-barnaby-joyces-integrity-days-before-being-sacked-20161024-gs9b67.html>

<sup>11</sup> Karp, 2019, *Morrison says middle Australia has lost faith in public sector*, The Guardian, 19<sup>th</sup> August 2019, <https://www.theguardian.com/australia-news/2019/aug/19/trust-deficit-morrison-says-middle-australia-has-lost-faith-in-public-sector>

<sup>12</sup> Easton, 2019, *Coalition plans \$1.5 billion APS budget cuts, promises to spare a few agencies*, The Mandarin, 17<sup>th</sup> May 2019, <https://www.themandarin.com.au/108622-coalition-plans-1-5bn-aps-budget-cuts-promises-to-spare-a-few-agencies/>

<sup>13</sup> Department of Premier and Cabinet, *The Secretary*, accessed 9<sup>th</sup> September 2019, <https://www.pmc.gov.au/who-we-are/the-secretary>

<sup>14</sup> Australian Public Service Commission, *Commissioner*, accessed 9<sup>th</sup> September 2019, <https://www.apsc.gov.au/australian-public-service-commissioner>

procurement processes, including the decisions of public money is being spent and the accountability mechanisms that this money is resulting in the provision of services.<sup>15</sup>

## Media and Public Broadcasters

Media provides crucial accountability and transparency functions. It has been referred to as the 4<sup>th</sup> estate under the separation of powers. Investigative journalists often unearth wrongdoing long before any public integrity agencies, for example the recent Crown Casino investigation by Nick McKenzie at the Age, and the 4 Corners investigation of police corruption in Queensland that triggered the Fitzgerald Inquiry. Media outlets have faced attacks in the form of centralisation of private ownership, funding cuts to public broadcasters, and potential prosecution of journalists, including News Corp journalist Annika Smethurst.<sup>16</sup>

Until reforms in 2017, media ownership laws prevented the common ownership of newspapers, television and radio broadcasting licences that serve the same region. The purpose of the legislation was to encourage diversity in the ownership of the most influential forms of the commercial media: the daily press and free-to-air television and radio. The justification for the rules was that the effective functioning of a democracy requires a diverse ownership of the daily mass media to ensure that public life be reported in a fair and open manner.<sup>17</sup> The 2017 changes repealed restrictions such as the "two out of three" rule, which stops companies owning newspaper, radio and television stations in the same city. The changes will also abolish the "reach rule", which prevented a single TV broadcaster from reaching more than 75 per cent of the population.<sup>18</sup> The cutting back of media ownership laws allowed for Nine to purchase Fairfax media, allowing for an effective duopoly of private media in Australia centralising ownership by Nine and News Corp.

The ABC is Australia's most trusted news source. It is our only public broadcaster, meaning that it provides news that is independent of any corporate or political interests. Polling by the Australia Institute shows that 53% of people do not trust commercial media.<sup>19</sup> Trusted independent media is critical for the public to be able to hold government to account.

The ABC has faced ongoing funding cuts and political attacks. In 2014 a \$254 million budget cut resulted in 400 jobs being lost, and 2017 funding cuts resulted in the loss of another 200

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<sup>15</sup> ANAO, 2017, *Australian Government Procurement Contract Reporting*,

<https://www.anao.gov.au/work/information/australian-government-procurement-contract-reporting>

<sup>16</sup> Murphy, 2019, *AFP won't rule out charging News Corp journalist Annika Smethurst after raid*, The Guardian, 14<sup>th</sup> August 2019, <https://www.theguardian.com/australia-news/2019/aug/14/afp-wont-rule-out-charging-news-corp-journalist-annika-smethurst-following-raid>

<sup>17</sup> Gardiner, 2006, *Media Ownership Regulation in Australia*, Parliamentary Library E-brief,

[https://www.aph.gov.au/About Parliament/Parliamentary Departments/Parliamentary Library/Publications Archive/archive/mediaregulation](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/Publications_Archive/archive/mediaregulation)

<sup>18</sup> ABC, 2017, *Government's media ownership law changes pass Senate with help from NXT*, One Nation, 14<sup>th</sup> September 2017, <https://www.abc.net.au/news/2017-09-14/media-law-changes-bill-passes-senate/8946864>

<sup>19</sup> The Australia Institute, 2013, *Australians trust ABC over commercial media*,

<http://www.tai.org.au/content/survey-results-australians-trust-abc-over-commercial-media>

staff.<sup>20</sup> An indexation freeze in the 2018 budget led to \$83.8 million in cuts. The accumulation of funding cuts since 2014 will lead to the ABC losing \$783 million by 2022.<sup>21</sup>

## Integrity Commissions

Integrity commissions play an important role in investigating and exposing corruption in the public sector and government. Integrity commissions operating at a state level have exposed systemic corruption in the highest levels of government.

There is no integrity commission operating at a federal level, leaving significant gaps in the jurisdiction and investigative powers of existing federal agencies responsible for scrutinising the public sector and government. No agency has the power to investigate corrupt conduct as defined by our state based commissions. No agency can investigate misconduct of MPs, ministers, political staff or the judiciary. The agencies that do have strong investigative powers, such as the federal police, can use them only when investigating criminal charges. No agency holds regular public hearings, meaning that corruption and misconduct is not properly exposed to the public.

State anti-corruption commissions have been undermined by governments. Some have had their investigative powers and jurisdiction restricted from the beginning, such as the Victorian IBAC.<sup>22</sup> Others, such as NSW ICAC and Queensland CCC, were established with greater investigative strength but have since faced attacks on their jurisdiction and funding.<sup>23</sup>

NSW ICAC has faced ongoing budget cuts and restrictions to its powers. In 2019, the budget dropped by \$2.9m to \$25.8m, a reduction of 10%. ICAC's staffing levels, are at near-record lows, with average staffing at 104.96 and 98.07 fulltime equivalents in 2017-18 and 2016-17 respectively, well below the levels seen prior to 2015-16. ICAC's staffing peaked at 126.4 fulltime staff in 2013-14. This is despite the fact that the number of matters received by ICAC – including public complaints, referrals, and own-motion investigations – has climbed from 2,436 to 2,751 in the past two financial years.<sup>24</sup>

## Electoral Commission and electoral regulations

The Commonwealth has the weakest integrity laws in the country. There is no independent oversight of Commonwealth parliamentarians, ministers, political staff and public servants.

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<sup>20</sup> Meade, 2017, *ABC to lose 200 jobs in latest funding cut*, The Guardian 7<sup>th</sup> March 2017, <https://www.theguardian.com/media/2017/mar/07/abc-to-lose-200-jobs-by-june-in-latest-round-of-cuts>; and Meade, 2014, *ABC cuts: 400 jobs, radio budget slashed and property sold off*, The Guardian 24<sup>th</sup> November 2014, <https://www.theguardian.com/media/2014/nov/24/abc-cuts-400-jobs-lost-radio-budget-slashed-and-property-sold-off>

<sup>21</sup> Wake, 2019, *The ABC didn't receive a reprieve in the budget – it is still facing staggering cuts*, The Conversation, 9<sup>th</sup> April 2019, <http://theconversation.com/the-abc-didnt-receive-a-reprieve-in-the-budget-its-still-facing-staggering-cuts-114922>

<sup>22</sup> Charles, 2018, *Victorian watchdog still too weak*, The Australia Institute briefing paper, <http://www.tai.org.au/sites/default/files/Briefing%20paper%20-%20IBAC%20Stephen%20Charles.pdf>

<sup>23</sup> See <http://www.smh.com.au/nsw/significant-funding-cut-for-nsw-corruption-investigation-unit-20171101-gzcpby.html> and <https://theconversation.com/newman-turning-back-the-clock-in-queensland-corruption-fight-26157>

<sup>24</sup> Knaus, 2019, *NSW accused of starving ICAC and integrity watchdogs*, The Guardian, 25<sup>th</sup> June 2019, <https://www.theguardian.com/australia-news/2019/jun/25/nsw-accused-of-starving-icac-and-integrity-watchdogs-of-funding>

Moreover, political influence can effectively be bought as a result of inadequate regulation of political donations and lobbying. Political donations under the threshold of \$14,000 need not be disclosed, donations are only disclosed annually, and there is no limit to how much parties can spend on campaigns. Lobbyists working in house directly for a company or association need not adhere to the Lobbyist Register or Lobbying Code of Conduct. A Commonwealth Parliamentary Code of Conduct does not exist, nor does a National Integrity Commission. The Australian Electoral Commission lacks the investigative powers and resource to enforce compliance with disclosure requirements and breaches of the Ministerial and Lobbying Codes of Conduct have no real consequence.

Current disclosure regulations allow the majority of political donations to be hidden. With the threshold for reporting set at \$14,000 and without a cap, donors could potentially donate \$13,900 multiple times through federal and state parties and not be disclosed to the public. Donations disclosed above \$14,000 are only made publicly available in early February of the following year, meaning that a donation made in July may be hidden for 18 months. Following the May 2019 federal election, voters will only know of donations made during the campaign over 9 months after the election, at the end of January 2020. Disclosure thresholds were increased from \$1,500 as a result of amendments to the Electoral Commission Act in 2006.

Donations made through attendance at party fundraisers, priced at \$10,000-20,000 per person, are currently not categorised as gifts. Corporate sponsorship or membership of cash-for-access business forums, with reports citing corporate contributions of \$27,500 and \$110,000, are at risk of being hidden from public view.<sup>25</sup> The Millennium Forum, a former business network of the Liberal Party, has been exposed in funnelling illegal property developer donations, and facilitating the undue influence of property developers seeking assistance with a debt-ridden company.<sup>26</sup> Other membership fees that contribute to advocacy and electoral expenditure are also not disclosed to the AEC, including corporate membership of peak advocacy bodies. The Minerals Council of Australia, which "represents the minerals industry with a common purpose in advocating responsible policies..." raised over \$200 million in revenue from 2007-2016 with a peak in 2011-12 that coincided with the campaign against the Minerals Resource Rent Tax.<sup>27</sup>

There is even less transparency of electoral expenditure. The Commonwealth Electoral Act was amended in 1995 to require only total expenditure to be reported, and not itemised or categorised electoral expenditure, giving the public no details of what parties are spending their income on. It was amended again in 1998 to not require any electoral expenditure to be disclosed at all.

The Australian Electoral Commission (AEC) has raised concerns of non-compliance with existing low level disclosure requirements, including that full disclosure can be legally avoided, and that some seek to circumvent the intent of the regulations by applying the

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<sup>25</sup> Knaus, 2018, *Liberals and Labour urged to come clean on business paying for political access*, The Guardian, <https://www.theguardian.com/australia-news/2018/oct/28/liberals-and-labor-urged-to-come-clean-on-business-paying-for-political-access>

<sup>26</sup> Marksonn, 2016, *Defunct Millennium Forum set Baird up with property developers*, The Australian, <https://www.theaustralian.com.au/nation/politics/defunct-millennium-forum-set-baird-up-with-property-developers/news-story/1ed4e389bff695c57753d3dde5da26d4>

<sup>27</sup> Aulby, 2017, *Foreign corporate influence through the Australian mining lobby*, The Australia Institute, <https://www.tai.org.au/content/undermining-our-democracy-foreign-corporate-influence-through-australian-mining-lobby>



narrowest possible interpretation of the legislation.<sup>28</sup> The Australian Electoral Commission does not have sufficient resourcing, investigative powers or expertise to enforce compliance with political finance laws.

## Houses of Parliament

Australia has a bicameral system of Parliament built to ensure that the upper house of Senate can operate as the house of review.

The Senate has a range of accountability measures available to it, including committees, inquiries, and amending or blocking legislation. The Senate has taken actions since its formation to increase accountability and transparency, including the 1901 requirement of appropriation bills setting out details of expenditure to the 2001 order requiring publication on internet of government contracts worth more than \$100,000. Much accountability activity of the Senate is possible through lack of government control of Senate.<sup>29</sup>

Proportional system has meant that no single party has held the majority vote of the Senate for most of its existence. Prime Minister John Howard's majority won in 2004 was the first in 24 years. Culture shift – Fraser had majority 1976 to 1981 but 12 Senate Coalition backbenchers were prepared to cross the floor and vote with the Opposition, particularly on accountability measures, including the establishment of the Scrutiny of Bills committee in 1981 where 7 Coalition backbenchers voted against the Government.<sup>30</sup>

The Order of Production of Documents has been a strong accountability mechanism utilised by the Senate. This has been in decline: in 1993-96 only 4 of the 53 orders for documents were declined, in 2002-2004 this increased to 43 being declined.<sup>31</sup>

## Australian National Audit Office

The Australian National Audit Office's (ANAO) purpose is to improve public sector performance and support accountability and transparency in the Australian Government sector through independent reporting to Parliament, the Executive and the public. The Auditor-General is an independent officer of the Australian Parliament whose responsibilities are set out in the *Auditor-General Act 1997*. In delivering against this mandate, the Auditor-General is assisted by the ANAO.

The ANAO delivers a range of audit and related services that include:

- annual financial statements audits and assurance reviews of Australian Government entities
- performance audits of Australian Government programs and entities
- audits of annual performance statements of Australian Government entities as requested
- provision of advice and sharing of information, including better practice and insights.<sup>32</sup>

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<sup>28</sup> Young and Tham, 2006, *Political finance in Australia*, Report 7 of the Democratic Audit of Australia, Australian National University, Table 5.2 pp 17-18.

<sup>29</sup> Evans, 2007, *The Senate*, in *Silencing Dissent* (edited by Hamilton and Maddison), published 2007 by Allen & Unwin, 83 Alexander St, Crows Nest NSW

<sup>30</sup> Evans, 2007, *The Senate*, in *Silencing Dissent* (edited by Hamilton and Maddison), published 2007 by Allen & Unwin, 83 Alexander St, Crows Nest NSW

<sup>31</sup> Evans, 2007, *The Senate*, in *Silencing Dissent* (edited by Hamilton and Maddison), published 2007 by Allen & Unwin, 83 Alexander St, Crows Nest NSW

<sup>32</sup> Department of Prime Minister and Cabinet, *Portfolio Budget Statement 2018-19*, <https://www.pmc.gov.au/resource-centre/pmc/portfolio-budget-statements-2018-2019>

As seen below the ANAO has faced dramatic funding cuts in recent years:

Year	Budget
2019-2020	\$98,474
2018-19	\$106,772
2017-18	\$115,667
2016-17	\$115,742

Source: Department of Prime Minister and Cabinet, Portfolio Budget Statements 2016-2020

## Charities and advocacy organisations

Charities and not-for-profits provide a public voice for marginalised communities and issues. They hold government to account by advocating for policies that serve the interest of the under-represented.

Charities and not-for-profits have faced a range of attacks in recent years. In 2015 the federal government attempted to cut the deductible gift recipient status of environment groups engaged in policy advocacy, stating that they should instead limit their activities to tree-planting. This would limit the fundraising ability of organisations that publicly hold government to account on environment policy.<sup>33</sup>

In 2017 the fundraising ability of all charities was threatened, with the federal government broadening the scope of a proposed foreign donations ban to include all organisations that publicly state positions on policy issues. Many charities rely on support from international donors, including international charities like Red Cross and Save the Children. Anglicare has said the ban posed an "absolute and direct threat to our democracy."<sup>34</sup>

The Australian Charities and Not-for-profits Commission plays a role in protecting the independence and integrity of charities. In December 2017 an anti-charities campaigner was appointed by federal government to the position of Commissioner. This threatens the ability of charities to do their job, as it is likely that the Commissioner will attempt to block many public activities of charities, particularly those focussed on policy-makers.<sup>35</sup>

These attacks are having an impact. A report by the Human Rights Law Centre surveying 1400 not-for-profit workers found that charities are self-censoring public advocacy out of fear of political retribution.<sup>36</sup> 69% of those surveyed believe that organisations that public disagree with government policy risk losing funding, and 53% believe organisations are pressured to change public statements to be in line with government policy.<sup>37</sup>

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<sup>33</sup> Aston, 2015, *Preventing political advocacy by environment groups an 'attack on democracy'*, Sydney Morning Herald 18<sup>th</sup> May 2015, <http://www.smh.com.au/federal-politics/political-news/preventing-political-advocacy-by-environment-groups-an-attack-on-democracy-20150518-gh4dak.html>

<sup>34</sup> Buzz Feed, 2017, *An absolute and direct threat to democracy Anglicare warns*, [https://www.buzzfeed.com/joshtaylor/an-absolute-and-direct-threat-to-democracy-anglicare-warns?utm\\_term=.wbR6ZRmnG#.cymkgAmyd](https://www.buzzfeed.com/joshtaylor/an-absolute-and-direct-threat-to-democracy-anglicare-warns?utm_term=.wbR6ZRmnG#.cymkgAmyd)

<sup>35</sup> The Guardian, 2017, *Charities criticise bizarre appointment of anti-charities campaigner as head of regulator*, <https://www.theguardian.com/australia-news/2017/dec/07/charities-criticise-bizarre-appointment-of-anti-charities-campaigner-as-head-of-regulator>

<sup>36</sup> McGowan, 2017, *Australian charities 'self-censoring' political advocacy out of fear of retribution*, 12<sup>th</sup> December 2017, <https://www.theguardian.com/australia-news/2017/dec/12/australian-charities-self-censoring-political-advocacy-out-of-fear-of-retribution>

<sup>37</sup> McGowan, 2017, *Australian charities 'self-censoring' political advocacy out of fear of retribution*, 12<sup>th</sup> December 2017, <https://www.theguardian.com/australia-news/2017/dec/12/australian-charities-self-censoring-political-advocacy-out-of-fear-of-retribution>