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ACT Legislative Assembly inquiry into
Campaign Finance Reform

ACT Greens Party Submission

21 July 2010



To the Secretary
Standing Commission on Justice and Community Safety
Inquiry into Campaign Finance Reform

Please find attached the ACT Greens submission to the ACT Assembly's inquiry into
Campaign Finance Reform

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1. Title page
2. Covering page/letter
3. Content

Submissions should not be stapled or otherwise bound.
Submissions should be sent to:
The Secretary
Standing Commission on Justice and Community Safety
Inquiry into Campaign Finance Reform

Via e-mail: committees@parliament.act.gov.au

Via post: GPO Box 1020
CANBERRA CITY ACT 2601
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Legislative Assembly for the ACT
London Circuit
ACT 2600

To members of the Standing Commission on Justice and Community Safety Inquiry into Campaign Finance Reform

The ACT Greens view is that Australia's democratic process is best served through publicly funded elections at all levels of government. Publicly funded elections promote more equitable access and reduce the risk of bias or corruption through donations. The ACT Greens recognise that the structure and mechanics of our system of campaign finance regulation must be an evolutionary process and competing rights and interests must be balanced to ensure an equitable, transparent and participatory democracy.

The ACT Greens support:

- amending the ACT Electoral Act to require swift reporting and transparency of political donations
- implementing an ACT electoral funding reform plan to:
 - cap election campaign expenditure by political candidates and third parties
 - cap all political donations
 - improve public funding for election campaigns
 - investigate restricting political donations to individuals registered to vote
- adequately resourcing the ACT Electoral Commission to implement enhanced transparency and disclosure measures as well as to investigate electoral activity.

The ACT Greens offer the following recommendations in response to the specific areas of inquiry, as stated in the Committee's Terms of Reference.

1. Regulation of:

a) donation size

- Corporate and individual financial contributions to political parties and individual candidates should be capped. The ACT Greens believe that a cap on donations would decrease the possibility of undue influence on the political process by individuals or organisations.

b) political party campaign expenditure

- Limits should be imposed on campaign expenditure by political parties and candidates. The exact limit must ensure that all candidates can promote their ideas and values to the community whilst at the same time ensuring that those with a significant revenue raising advantage are not able to exploit an inherently distortional advantage.

c) third party campaign expenditure

- Limits should also be imposed on third parties who participate in the electoral process. The *Canadian Electoral Act 2000* Part 17 provides an example of another common law jurisdiction that had introduced such limits.¹

¹ See also 'Towards a more democratic political funding regime in New South Wales: A report prepared for the New South Wales Electoral Commission' February 2010.

2. Financial disclosure laws

- Cumulative donations from individuals over \$1500 in any one financial year should be disclosed by parties, individual candidates and third parties where the donations were made for the purposes of election influencing activities.
- All sources of funding to a political party should be reported.
- A \$50 cap be placed on the amount recorded under anonymous donations by political parties, MLA's and associated entities.
- All income received by a political party should be reported within one month of receipt (within one week during the election period).
- Financial reporting should be facilitated with an online lodgement and disclosure system.
- All parties, candidates and third parties should be required to report all details of political expenditure over the full four year electoral cycle and for the election period.

3. Direct and indirect public funding of elections

- The ACT Greens support the maintenance of the existing direct entitlement scheme rather than an expenditure compensation scheme.
- The pro rata public funding rate should be increased to the same amount that is paid under the Commonwealth scheme and tied to that rate.

4. Regulation of:

Donations by private individuals, organisations and other contributors; and corporations, unions,

- The possibility of entities that have contracts with the ACT Government being prohibited from making donations to political parties, candidates or third parties should be explored.
- Donations from individuals to political parties, candidates and third parties should be restricted to those registered to vote in the ACT.
- A model where all corporate and union donations be banned from the electoral process as per the model used by the Canadian federal parliament and two Canadian state parliaments should be explored.²

5. Enforcement of funding and financial disclosure law

- The ACT Electoral Commission must be adequately resourced to investigate electoral activity.
- All ACT registered political parties should be audited annually to ensure compliance with the disclosure rules.
- Additional funding should be provided to the ACT Electoral Commission in order to implement an online disclosure system.
- Small ACT registered political parties be supported by ACTEC in their utilisation of online reporting requirements.

² 'Towards a more democratic political funding regime in New South Wales: A report prepared for the New South Wales Electoral Commission' February 2010.

See also Democratic Audit of Australia, submission to the 2020 summit. Available at <http://arts.anu.edu.au/democraticaudit/misc/2020summitsub.pdf>

6. The relationship between ACT electoral law and Commonwealth electoral law; any Constitutional matters; and any other relevant matter.

- A mechanism should be created to ensure that all proposed changes to the electoral laws are subject to committee inquiries to ensure adequate community consultation. The purpose of such a mechanism is to minimise the perceived bias inherent in elected Members determining the future requirements and constraints on election activity and to assess how effective amendments and changes to practice are in: (a) improving the integrity, accountability and fairness of the system; (b) strengthening public confidence in the system; and (c) facilitating their participation in it.³

7. Other recommendations.

- Investigate a means to financially support emerging political movements/parties prior to an election taking into account other measures of public support, including opinion polling, the size of party membership, and the need to provide a fair opportunity for election candidates to convey their policies to the public.
- Explore the possibility of linking public funding to social objectives as per models used in other countries. As the report 'Deepening Democracy' states, 'this could support a refocusing on grass-roots democracy and deliberative democracy including community consultation and campaigns, policy development, and party building; countering the current tendency in Australia for political parties to spend the majority of their funds on election advertising in the election period'

³ See 'Deepening Democracy: Submission to the Australian Government in response to the Electoral Reform Green Paper' 23 February 2009