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Senator the Hon Don Farrell

Minister for Trade and Tourism
Special Minister of State
Senator for South Australia

Dear *h (handwritten)* Minister

REF: MS23-000794

12 SEP 2023

s47C

Government Response to JSCEM

I seek your agreement to table the Government response, at **Attachment A**, to the JSCEM Interim Report in the 2023 Spring sittings.

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A copy of this letter has been provided to the Minister for Finance.

Yours sincerely


Don Farrell



Senator the Hon Don Farrell

Minister for Trade and Tourism
Special Minister of State
Senator for South Australia

REF: MC23-002426

Ms Susan Templeman MP
Chair
Standing Committee on Petitions

Reply by email: petitions.committee.reps@aph.gov.au

18 SEP 2023

Susan
Dear Ms Templeman

Thank you for referring petition EN4167, transmitted on 25 July 2023, about regulating truth in political advertising. I respond as the Special Minister of State, responsible for electoral matters.

The Labor Party has led federal electoral reform to increase openness in Australia's democratic system. Significantly, the Hawke Government introduced framework for the disclosure of political donations and electoral expenditure. This significant reform laid the groundwork for increased transparency, and Labor continued to pursue more rigorous donation reforms from opposition in 2016.

The Albanese Government remains committed to strengthening the transparency of our electoral system and maintaining voter confidence in elections and referendums. In this pursuit, I am also mindful electoral reform is complex and requires studious consultation across the Parliament. As such, the parliament's multi-partisan Joint Standing Committee of Electoral Reform (JSCER) is the appropriate forum for proposed electoral changes to be investigated and considered.

Already this term, the Government has updated Australia's referendum legislation to ensure the voter experience at the upcoming referendum is aligned to voters' experience at the last federal election. You will be pleased to know that in keeping with our commitments, our amendments included establishing a financial disclosure regime for referenda, and aligning foreign donation restrictions and authorisation requirements with those of federal elections. This Bill and changes were considered by JSCER as part of the parliamentary process.

Last year, after JSCem was constituted for this parliament, I wrote to it requesting its consideration of matters relating to the 2022 federal election. One of the issues I specifically requested it inquire into is the potential for 'truth in political advertising' laws to enhance the integrity and transparency of the electoral system. In its interim report, JSCem recommended the Federal Government legislate to govern truth in political advertising. JSCem continues to deliberate in this inquiry with a final report expected later this year; after I have considered its final report and recommendations, I will develop legislation to deliver long overdue reforms to our electoral system.

In addition to legal reforms, there are existing measures undertaken to address misinformation and disinformation in the electoral system. Here the Australian Electoral Commission (AEC) takes a proactive role, leading public education and responding to misinformation, as evidenced by their work at the 2022 Federal Election. The AEC is an independent statutory body and is responsible for the conduct and delivery of federal electoral events.

During the 2022 federal election, the AEC ran an expanded 'Stop and Consider' campaign, building on the success of a similar campaign for the 2019 Federal Election. The AEC launched and maintained an Electoral Disinformation Register, which listed prominent electoral mis and disinformation and acted as an informative source. The AEC's work plays a vital role in upholding Australia's electoral reputation despite an ever-more complex operational and communication environment.

If you are interested in JSCem's progress, including its Interim Report, you can access more information here [www.aph.gov.au/Parliamentary Business/Committees/Joint/Electoral Matters](http://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Electoral_Matters). Further, if you would like to know more about the role and work of the AEC, you can access their website at www.aec.gov.au.

Thank you for bringing the concerns referred to in the petition to my attention, and I hope this information assists the petitioners.

Yours sincerely



Don Farrell



19 September 2023

Senator Don Farrell
Special Minister of State

By email: smos@finance.gov.au, S 47F(1)

Dear Minister Farrell

Electoral Law Reform

Thank you for your recent meetings on electoral law reform with me and members of the crossbench.

Following on from the *JSCEM Interim Report*, I confirm my understanding that the Government intends to introduce legislation on electoral law reform before the end of the year. Also, I appreciate that you have expressed an aspiration to achieve 'consensus' on these reforms and consult with the crossbench.

The purpose of this letter is to advocate for the reforms that I think meet the expectations of my community.

This letter is set out in two parts:

- **Part A** lists the reforms addressed in the Restoring Trust Bill. These are 'lowest common denominator' reforms, which have broad support from the crossbench, civil society organisations, academics and democracy think tanks.
- **Part B** contains my personal view on reforms that relate to the issue of caps on donations or spending. It is my view that any caps should be applied after addressing the reforms in the Restoring Trust Bill. As you are aware, there are many different opinions on how to implement caps fairly. No doubt my crossbench colleagues will also provide you with their views on the priorities in respect of this area of reform.

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Part A

As you are aware, in August I introduced the *Restoring Trust Bill* as a Private Member's Bill, seeking changes which will improve transparency, reduce financial influence and level the playing field. The Bill has broad Crossbench support.

I appreciate the Government's publicly stated commitment to real-time disclosure of political donations above \$1000. I support this as a first step in improving transparency.

The other aspects of the Restoring Trust Bill that have broad support and should be included in the government's electoral reforms are:

1. Broadening the definition of gift {donation) and requiring meaningful funding disclosure

Requiring real-time disclosure over \$1,000 will only go part of the way to improving transparency without this additional reform.

Over the last 20 years only 21% of private funding has been disclosed by the major parties. Reducing the threshold to \$1,000 will increase the proportion of the 47% of private funding that is currently listed as "Undisclosed" but will not address the 31% which is currently listed as "Other Receipts".

The definition of "gift" needs to be expanded to ensure that it captures matters such as fundraising dinners and cash for access "business forums", including payments funnelled through third/interposed parties. The "Other Receipts" category in the Transparency Register needs to be reformed into meaningful categories to ensure transparency of significant income sources.

2. Truth in Political Advertising

The Restoring Trust Bill recommends reform in terms of the Stop the Lies Bill presented by Zali Steggall OAM MP.

I note that the JSCEM Interim Report recommended legislating to govern truth in political advertising, based on the principles currently in place in South Australia. I also note that this is consistent with the Labor Party's position as expressed in Submission 363 to the JSCEM Inquiry.

Therefore, there appears to be agreement between the Government and the crossbench on the key principles of this reform.

3. Banning social harm donations

There is broad support for banning political donations from entities that inflict social harm for profit, starting with tobacco, gambling and liquor businesses.

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4. Banning government contractor donations

This reform has gained public support in recent months with the attention on PWC and its cosy relationship with Government(s).

5. Requiring member approval for political donations from corporate entities and unions

This requirement is consistent with the UK approach and treats companies and unions equally.

6. Restoring the independence of the postal vote process

Reform is required to prevent misleading conduct of sending out non-AEC postal vote applications and the harvesting of personal data by political actors and others. This practice has attracted attention and outrage recently in my electorate. The AEC has been clear in its preference that postal voting applications go direct to the AEC to maintain trust.

7. Requiring political parties to comply with data protection and spamming laws

Community support for this is reflected by the OAIC 2020 Australian Community Attitudes to Privacy Survey, showing 74% of the public believe political parties should be subject to the Privacy Act.

8. Limiting pre-election government advertising

To prevent taxpayer funds from being used for political purposes, pre-election government advertising should be limited from 2 years after an election until the next election.

9. Establishing an Independent Campaign Entity

Registering an Independent campaign entity would enable Independents to be treated the same way as a political party, including access to the electoral roll and financial disclosure guidelines.

10. Candidate nomination

The nomination requirements for political party candidates should require the same level of local support as for independent candidates, to ensure candidates do, in fact, represent their communities.

Based on extensive discussions with the crossbench, the first two issues above ('gift' definition and truth in advertising) are the highest priority.

Many of these issues have been topical in recent months, including donations from consulting firms and in relation to the referendum: truth in advertising, the misuse of the postal voting application process and privacy/spamming laws.

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Including these reforms in the Government's electoral reforms would go a long way towards rebuilding public trust in our political process.

For more detail on any of these reforms, please refer to the Restoring Trust Bill and accompanying Explanatory Memorandum.

Part B

The Restoring Trust Bill did not address caps or public funding changes on the basis that these matters need to be implemented following, or in conjunction with, genuine reforms in terms of the Restoring Trust Bill. There are many different views on how, if at all, caps could be implemented fairly.

My views on caps are set out below.

Spending Caps

The main priority in setting spending caps should be to ensure that any caps apply fairly, minimising the advantages incumbents have over new entrants and supporting a level playing field. This is essential to ensure that our system allows genuine political competition.

This may not be in the immediate interests of the major political parties, but it is in the interests of a flourishing and evolving democracy. Any move to entrench major party advantage would be contrary to the wishes of the electorate - one in three voters cast their primary vote for a non-major party candidate in the last election.

Some examples of how this principle of a fair and level playing field should be applied to spending caps include:

- (a) Spending cap should only apply to advertising expenditure, to neutralise some of the major party advantage of existing infrastructure.
- (b) The structure of spending caps should not allow parties to shift costs from unwinnable or safe seats to battleground seats. This principle should hold whether a party is subject to a party electorate cap and an endorsed candidate cap (as in NSW) or to one cap together (as in SA). For example, under a cap structure, all national advertising must be distributed equally among all the electoral divisions in which the party is running a candidate. A party should also be subject to a national spending cap.
- (c) Aggregation and anti-avoidance rules should apply to ensure that all expenditure by associated entities is counted for the purposes of a cap applying to a party or independent candidate.



- (d) Third parties (i.e. parties that are not associated entities) should be subject to a lower spending cap with a national spending cap and an electorate cap.
- (e) The capped expenditure period should commence 2 years after the previous election day.

I welcome a discussion as to other ways in which party infrastructure and economies of scale can be accounted for in setting a fair cap for independent candidates.

Donation Caps

I support the idea that individuals (or companies) should not be able to 'buy' elections, or exercise undue influence on candidates.

The main priority in setting donation caps is to ensure that new candidates can access adequate 'seed capital' to start a campaign, to ensure competition in politics.

Some examples of how these principles should be applied to donation caps include:

- (a) Donation caps should be set at a level significantly higher than current State caps, given the difference in size of electorates. In WA, a State electorate currently contains ~~20~~ of the population of a Federal electorate.
- (b) Donations from related companies and individuals should be aggregated under caps.
- (c) Donations to all candidates, their party (if applicable) and their associated entities should be aggregated, as long as "associated entity" is defined narrowly.
- (d) Donations to third party campaigners should not be aggregated with donations to candidates.
- (e) Party membership fees, subscriptions, levies and affiliation fees must be included in caps if these fees exceed a reasonable level (say \$600).

Public Funding

If big money is taken out of the system through private funding reforms, it is unhelpful to replace it with state dependency/taxpayer funding, especially in a cost of living crisis.

State dependency is the opposite of community funding and engagement which should be promoted by changes to our system.

The current reimbursement funding model acts as a resource guarantee maintaining the status quo and is unhelpful to new entrants. Any review of public funding should not be designed to entrench incumbency.

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One alternative that I would support is "multiple matching", which provides public funding to candidates based on a multiple of funds raised through individual donations. This approach is used in New York City.

Next steps

For further detail about my views on these matters, I refer you to the Restoring Trust Bill and Explanatory Memorandum, and my Additional Comments to the Joint Standing Committee on Electoral Matters' Interim Report into the 2022 Federal Election.

I reiterate that there is significant public appetite for electoral reform in my community and across the country.

I welcome the opportunity to discuss these matters further and reiterate my offer to report back to the crossbench on progress after our regular monthly meetings.

Yours sincerely

Kate Chaney MP

Federal Member for Curtin

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Senator the Hon. Don Farrell
Special Minister of State

Email via: smos@finance.gov.au, S 47F(1)

20 September 2023

Dear Minister Farrell

I write to thank you for the recent meeting with the crossbench to consider the recommendations of the JSCEM Interim Report into conduct of the 2022 election.

I welcome your aspiration to achieve consensus on any changes and trust that this means further consultation with the crossbench ahead of any proposals the government intends to put to the parliament.

You will recall that the last attempt at electoral reform in 2013 foundered, in large part, because negotiations were held in secret, restricted to a very small number of figures confined to the major parties, without allowing backbenchers of any stripe any role in the discussions let alone the public.

Given that increased transparency is one of the committee's categorical recommendations it would seem passing strange to the voting public if the discussions to achieve that goal were anything but.

As the committee chair noted in her forward to the interim report:
"Democracy is best when it is conducted in a way that is transparent..."

I have also noted the Chair's salutary warning that:
"Across the western world we see the potential for a drift from democracy when people feel like their political system isn't working for them and believe that their system has been captured by vested interests."

At a time when 30-plus percent of voters and rising do not support a major party they would see any proposal agreed solely between the major parties as capture by vested interests, running the risk of further erosion of public confidence in and support for our democracy.

The beauty of preferential voting, a system admired by other democracies, is that it ensures a majority of voters get the representative they prefer.

This principle must be applied to any future changes, levelling the playing field so that new entrants do not face hurdles designed to hobble their candidacies and providing a bulwark to defend the declining support of the major parties as has been the case with recent changes in both Victoria and New South Wales.

I would also note from my days as a reporter covering trade talks that it was a common adage of negotiators to work first on the matters where the likelihood of agreement is highest.

It's a pretty good text for any negotiations.

The member for Curtin, who was a member of the committee, has done me the courtesy of forwarding me a copy of her letter to you.

I was a supporter of her Restoring Trust Bill which sought to improve transparency, reduce financial influence, and level the political playing field.

I support all elements in Part A of her letter to you.

These are the matters that have wide support and should be given priority. In particular, I welcome the government's public commitment to real time disclosure of political donations above \$1,000.

I also trust that the government will proceed with its commitment to the introduction of legislation for truth in political advertising in time for the next election. We are seeing the damage that lies are doing to the discussion leading up the Voice referendum. We must not let this happen again.

The questions of donations and expenditure caps are more problematic as the failure of JSCCM to present definitive solutions demonstrates.

I trust that the government will heed the note of caution from the committee that if there are to be changes, they must address "the additional hurdles to entry faced by independents or new entrants".

The approaches adopted in Victoria and NSW are certainly not the answer because they have bestowed lucrative revenue streams to the major parties, leaving them with little need for donations, a pathway denied new entrants.

Going into the 2022 Victorian election, Labor and the Coalition had a combined total of \$212m in publicly funded benefits. Donations made up just 1.8% of the ALP's total income, and 4.6% of the Coalition's.

Like the Member for Curtin, I believe that individuals or companies should not be able to 'buy' elections or exercise undue influence on candidates.

However, any changes must ensure that new candidates can access the money and infrastructure they need to mount a competitive campaign.

The more time spent raising money, the more hurdles placed in their paths, the less time they have to present their policies to the electorate they are seeking to represent.

Finally, the question of public funding.

Whatever the rights and wrongs, the voter backlash that scuttled the backroom deal of 2013 when it was proposed to increase per-vote public funding is a salutary warning; even more so at a time when households are under much more cost-of-living pressures than they were a decade ago.

In conclusion, I do believe voters have a thirst for greater transparency, accountability, and honesty in the conduct of our elections, but they will only support changes made in the open and seen by them as strengthening representative choice.

I would welcome any opportunity for further discussion.

Sincerely,

A black rectangular box redacting the signature, with the text "s47F(1)" written in red over it.

Zoe Daniel MP
Federal Member for Goldstein



Allegra Spender MP

FEDERAL MEMBER FOR WENTWORTH

29th September 2023

Senator the Hon Don Farrell, Special Minister of State, Minister for Trade and Tourism

Australian Senate

Parliament House

Canberra, ACT, 2600

RE: ELECTORAL LAW REFORM

Dear Special Minister Farrell,

Thank you for taking the time to meet with myself and members of the House and Senate crossbench during the last parliamentary sitting. I welcome the government's desire to strengthen our electoral laws and your stated aspiration to achieve consensus, including with the crossbench. This letter provides my perspectives on measures which would restore transparency, fairness, and trust to our electoral system – and therefore would meet the expectations of my community in Wentworth.

Background and context.

As set out in the majority report of the *Joint Standing Committee on Electoral Matters* (JSCEM) and the additional comments provided by Kate Chaney MP, our current electoral laws are not fit for purpose.

The most critical deficiencies include:

- **A donation disclosure regime that lacks transparency and timeliness.** The current \$16,300 disclosure threshold is much higher than most other jurisdictions; it is possible to 'split' donations under the threshold to avoid disclosure; it is possible to 'multiply' the threshold by giving to literally dozens of entities associated with a single political party; contributions made to political parties are poorly classified or do not need to be disclosed; corporate memberships of political parties are not classified as donations; there is no transparency of party election spending by electorate; and there is a significant time lag until donations data is made public, such that voters have no idea who is funding campaigns until well after an election. As a result, during the 2022 election campaign, a third of political parties' private income was hidden from public view entirely, and more still was classified under the meaningless 'other receipts' category.¹
- **No requirements for political advertising to be truthful,** leading to the unchecked spread of misinformation during elections. This is despite equivalent regulation applying to businesses.
- **Structural inequities in the design of our electoral laws, which mean not all candidates are treated equally.** For example, political parties are carved-out from spamming and data protection laws, they are allowed to make disclosures at a later date than independents, and they are afforded certain privileges (like electoral roll access and public funding of affiliated thinktanks) which new independent candidates are not.

The Voice referendum campaign further highlights the need for reform. Many people in my electorate were angered by unsolicited text messages that they were unable to opt-out from, enabled by the exclusion of political parties from spamming laws. A failure to legislate for truth in political advertising

¹ Grattan Institute, Here's who funded the 2022 election, February 2023



Allegra Spender MP

FEDERAL MEMBER FOR WENTWORTH

has also meant that misinformation has proceeded unchecked. And on election day, voters will be in the dark about who has funded the various campaigns.

Minimum standards for reform.

Reform is therefore necessary to restore transparency, fairness, and trust in our electoral system.

Such reforms must – at a minimum – include the full suite of changes set out in Kate Chaney MP's *Restoring Trust* Bill. The measures in this Bill have broad support among civil society groups, academics, democracy thinktanks, and crossbench members. They are practical and pragmatic – and there is no reason why politicians who are genuinely committed to creating a fairer system should oppose them.

In addition to the government's welcome commitment to requiring (near) real-time donation disclosures above \$1,000, essential provisions in the *Restoring Trust* Bill include:

- **Improving transparency on political donations by broadening the definition of a 'gift'.** The definition should capture events such as cash-for-access business forums and fundraising dinners, which under any reasonable interpretation are a form of political donation. The 'Other Receipts' category in the Transparency Register also needs to be broken down into meaningful and transparent categories so people understand where politicians' funding is coming from. No financial contribution above the new \$1,000 threshold should be able to be labelled 'Undisclosed' or 'Other Receipt'.
- **Legislating to require truth in political advertising and prevent politicians and/or third parties from openly lying in election campaign advertising** (as is currently permitted). Reforms set out in Zali Steggall OAM MP's *Stop The Lies* Bill would bring political advertising up to the same standard which businesses are held to and prevent misleading and deceptive content. The government's indication that it wishes to implement reforms similar to those currently in place in South Australia suggests there is agreement with the crossbench on the principle for this reform.
- **Requiring public companies and unions to get shareholder/member approval before making political donations.** Public companies are run in the interests of their shareholders and unions are run in the interests of their members. It is these people who should ultimately decide whether their money is donated to political campaigns, and introducing such a requirement would be consistent with the approach taken in the UK.
- **Banning donations from substantial government contractors and current bidders, as is done in a majority of OECD countries.**² The importance of this has been highlighted by the recent scandals involving PwC and other Big Four consulting firms, which have donated \$4.3 million to Labor and the Coalition over the past decade. During that time, the value of the Big Four's contracts from the government has increased by 400%.³
- **Banning donations from organisations that inflict social harm for profit, starting with the gambling, tobacco, and liquor industries.** The gambling sector alone gave \$8.7 million to political

² Democratic Audit of Australia, JSCM Submission 408, page 3 (as to corporations bidding for government contracts) and International IDEA Political Financial Database

³ Centre for Public Integrity, Booming business for Big Four comes at a high cost, May 2023



Allegra Spender MP

FEDERAL MEMBER FOR WENTWORTH

parties between 1999 and 2021.⁴ A precedent for such a ban has been set by NSW, which precludes donations from property developers and the liquor, gambling, and tobacco industries.

- **Restoring the independence of the postal vote process.**
- **Requiring political parties to comply with data protection and spamming laws.**
- **Establishing an Independent Campaign Entity** to address some of the imbalance between the privileges afforded to candidates from political parties and those running as independents. Such an entity would, for example, allow independents with sufficient demonstrable community support to access the electoral roll and be treated similarly in terms of financial disclosure and tax arrangements.
- **Requiring all candidates to demonstrate a threshold level of local support** before running for election, in order to ensure that candidates do actually represent their communities.
- **Limiting, or placing greater constraints and oversight around, government advertising from two years after the last election.** This is in order to prevent central government funding being used for overtly political purposes by the governing party.⁵

Whilst the changes in the Bill are the “minimum standard” for restoring transparency, integrity, and trust, the consensus among members of the crossbench is that the most critical reforms relate to improving transparency on political donations and legislating for truth in political advertising.

Spending and donation caps.

The government has also indicated a desire to legislate spending and donation caps.

I support the idea that individuals and companies should not be able to ‘buy’ elections and exert undue influence over politicians. However, the history of campaign finance reform is littered with examples of incumbents changing the rules of the game to entrench their own power. With one-in-three voters casting their primary vote in 2022 for a non-major party candidate, any move to design caps in a way that entrenches major party incumbency would not meet the public’s expectations for genuine reform.

Indeed, the experience in Victoria, Queensland and NSW demonstrate how poorly designed spending and donation caps can have a significantly detrimental impact on our political system.

In Victoria, recent research by the Australia Institute shows how donation caps have increased the financial power of a few political players and amplified the advantages of major party incumbents.⁶ For example, donations to independent candidate in Victoria are capped; but funding that political parties receive from corporate and individual membership fees, levies, and nominated entities are not capped. This is clearly unfair. Contributions by candidates to their own campaigns are also uncapped, benefitting wealthy individuals over others. Furthermore, despite the caps imposed, there are no measures to create a level playing field in terms of candidates’ access to resources – for example by

⁴ Centre for Public Integrity, \$91 million of election funding hidden from public view, February 2023

⁵ Note that such measures should not affect genuine public information services, for example public health advertisements that were required during the pandemic

⁶ The Australia Institute, Money and power in Victorian elections, September 2023



Allegra Spender MP

FEDERAL MEMBER FOR WENTWORTH

correcting for the natural advantages that parties enjoy (e.g. brand exposure, large support networks, media exposure and relationships) or that incumbent MPs enjoy (e.g. government-funded staff).

In NSW, implementation of spending caps has also reduced political equity. The current per-electorate caps restrict the spending of independent candidates (who only campaign in one seat) but are circumvented by the major parties who under-spend in safe seats and over-spend in marginal/target seats. Again, there are only very limited measures to account for the brand advantage, scale-economies, and supporting infrastructure afforded to major parties and not to independents.

Any reforms to legislate spending caps must therefore ensure there is a level playing field in terms of the resources available to different candidates. They should ensure that our system facilitates genuine political competition and they should account for the substantial advantages afforded to major parties. This could be achieved by adhering to the following principles:

- **Only applying spending caps to advertising expenditure**, which would somewhat reduce the advantages enjoyed by parties through access to existing infrastructure, staff, and scale economies. Note that 'advertising expenditure' should not include the costs of mass community campaigning, such as t-shirts and corflutes.
- **Setting spending caps in a way that accommodates the significant differences in advertising costs** between different parts of the country.
- **Providing true transparency on political party spending in each seat, and removing the ability for political parties to shift funding from safe/unwinnable seats towards marginal/target seats**, in a manner that is inconsistent with the spirit of a cap. This includes apportioning major party spending on Senate seats to relevant House electorates.
- **Enforcing strong aggregation and anti-avoidance rules** to ensure all relevant expenditure by associated entities is counted towards the cap applying to the relevant party or candidate.
- **Capping spending only in the run-up to the election** and not throughout the entire term.
- **Setting a fair and differential spending cap for independents, which accounts for the benefits associated with party infrastructure, brand recognition, economies of scale, and publicly funded affiliated thinktanks.**

There are additional considerations that apply in relation to donation caps. In particular, it is important to ensure that new candidates are able to access adequate 'seed capital' to start a campaign, as well as to ensure that political parties with a large number of associated entities are not able to circumvent the caps. Important principles for setting donation caps include:

- **Only capping donations for advertising expenditure**, not administrative expenses.
- **Incorporating party membership fees, subscriptions, levies, affiliation fees, and all other sources of major party income under the cap**, in particular the substantial revenues attributing to political parties through their own commercial enterprises such as labour clubs and investment vehicles.



Allegra Spender MP

FEDERAL MEMBER FOR WENTWORTH

- **Setting Federal donation caps at a significantly higher level than existing State caps**, given that Federal electorates have many more voters (often 3-4x).
- **Aggregating donations from related companies and individuals** under one cap.
- **Aggregating donations to all candidates, their party (where applicable) and their associated entities under one cap**, as long as “associated entity” is defined narrowly.
- **Allowing the on-granting of donations to third party campaigns** to candidates.

Increases in public funding have also been suggested as a mechanism to enable the implementation of donation caps, however in a cost-of-living crisis it would be particularly inappropriate for taxpayers to provide additional funding for politicians.

As outlined above, there is considerable need and public appetite for reform that restores transparency, fairness, and trust in our electoral system. The measures outlined in Kate Chaney MP’s *Restoring Trust Bill* are the minimum standards for this reform. Any legislation brought forward which does not implement these changes – in particular if it includes provisions designed to further entrench incumbency power – will not meet the expectations of the Australian community.

I welcome the opportunity to continue to discuss these matters with you further.

Kind regards,

s47F

Allegra Spender MP
Member for Wentworth



Catryna Bilyk

Labor Senator for Tasmania

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KINGSTON TAS 7050

PO Box 320
KINGSTON TAS 7051

Ref: DH

6 October 2023

Senator the Hon. Don Farrell
Special Minister of State
Australian Parliament House
CANBERRA ACT 2600

Dear Minister

Please find enclosed an email I received from **S 47F(1)** Tasmania, regarding Australia's Federal electoral donation and disclosure laws.

I would appreciate your advice on the Australian Government's response to requests.

Yours sincerely

CATRYNA BILYK
SENATOR FOR TASMANIA

Encl.



(s_e_n_c. B_i.,lyk)

From: -<campaigns@good.do>
Sent: ugust 2023 12:34 PM
To:
Cc:

S 22

Subject: How will you address corporate influence in Australian politics?

Dear S 47F(1)

I'm a Tasmanian born, S 47F(1) I currently live and work in Hobart. When undertaking some research in public health it was revealed to me how much of an issue political and corporate transparency is in Australia.

Decisions are made in Australia based on those who have power, and money goes a long way to influence power. Yet at least 40% of political donations in Australia are undisclosed.

I'm writing to therefore urge you to ensure that strong new campaign finance reforms are implemented as soon as possible.

How can we say we have a fair democracy when those with money are secretly influencing the actions of politicians behind closed doors.

I would like to see the following reforms recommended by the #OurDemocracy campaign legislated as soon as possible:

- Real-time disclosure of all donations over \$2,500
- Banning big political donations altogether
- Limiting electoral spending by parties and corporations

As my representative, I'd like to hear how you will ensure that these reforms are part of the recommendations made by the Joint Standing Committee on Electoral Matters at the end of this year.

I look forward to hearing from you soon.

Yours sincerely,

S 47F(1)
Tasmania, - Australia

This email was sent by __, i a Do Gooder, a website that allows people to contact you regarding issues they consider important. In accordance with web protocol RFC 3834 we have set the FROM field of this email to our generic no-reply address at campaigns@good.do, however rovided an email address S 47F(1) which we included in the REPLY-TO field.

Please reply to S 47F(1)

To learn more about Do Gooder visit www.dogooder.co To learn more about web protocol RFC 3834 visit: <https://tools.ietf.org/html/rfc3834>

~~PROTECTED CABINET~~



Senator the Hon Don Farrell

Minister for Trade and Tourism
Special Minister of State
Senator for South Australia

REF: MS23-000992

The Hon Anthony Albanese MP
Prime Minister
Parliament House
CANBERRA ACT 2600

9 OCT 2023

Anthony
Dear Prime Minister

s47C

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

I have copied this letter to the Minister for Finance and the Minister for Home Affairs.

Yours sincerely

Don Farrell
Don Farrell

~~PROTECTED CABINET~~

Helen Haines MP



Senator the Hon Don Farrell
Special Minister of State
The Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Mr' **Jk.,,**

Re: Electoral Reform

Thank you for your recent meetings with me and members of the crossbench covering potential electoral reform.

Following on from the JSCEM Interim Report, I understand the Government intends to introduce legislation on electoral law reform before the end of the year.

I understand you wish to achieve broad consensus for electoral reform and I write to express my views on the reforms I believe will best serve our precious democracy and meet the expectations of the community.

I understand you have already received a letter from Member for Curtin Kate Chaney. Firstly, I write to express my support for what she labelled "Part A" of her letter.

It is vital that the first step in reforms around donations and expenditure is increased transparency. The threshold for donation disclosure must be reduced to \$1,000 and reporting must be as close to "real time" as possible. For example, I currently update my website every three months with all donations above \$1000 and any donation of more than \$14,500 within five days of receipt.

I also understand from our conversation, public comments and media reporting that you are considering the role of donation caps or spending caps in the reform you will bring to the Parliament.

I support reform which removes the influence of big money in politics, levels the playing field for incumbents and new players and increases genuine political competition.

In regard to spending caps, I believe it is important that any caps put in place do not allow for spending by major parties or entities running across multiple electorates to pool funds and dedicate spending in one or just a handful of electorates. This would mean that each candidate in each electorate is subject to the same cap, rather than marginal electorates receiving large portions of spending and safe electorates no spending. Caps should not entrench advantage for parties over other candidates, including independents.

I support measures which would limit spending caps to specific types of electoral spending, such as advertising, which is more easily measurable and comparable across candidates.

These measures should also include national spending caps for parties or entities campaigning across more than one electorate.

I support donation caps in principle, reflecting the views of my constituents who do not want to see Australia's precious democracy become the plaything of the ultra rich.

Dr Helen Haines MP

117 Murphy Street
Wangaratta VIC 3677
T 03 57217077
E helen.haines.mp@aph.gov.au
W helenhaines.org

0 0 helenhainesindl

To be fair, donation caps must include party membership fees, subscriptions; levies, affiliation fees and tickets to fundraising events.

The key to ensuring reform around the amount that can be donated to a party, candidate or associated entity is to ensure that these caps do not unfairly disadvantage or "lock out" new players.

The major political parties already hold significant advantage over any challengers, and are likely to continue to do so even when these electoral reforms are implemented. The goal should be to ensure the playing field is as fair as possible to ensure the actual political battle is between ideas, values and policies, not on who can spend the most or work the system to their advantage.

The Labor Government has so far taken significant steps to increase integrity in government and trust in democracy in Australia, most substantially by delivering the National Anti-Corruption Commission:

There is Significant public support for electoral reform in Australia and I believe if done well, these reforms have the potential to further increase the level of trust Australians have in their democracy.

But if done poorly, or in a way that is seen to entrench the power of the major parties and actively disadvantage others, this Government risks undoing that good work...

I hope this opportunity for lasting reform which improves both our democratic process and perceptions of the fairness of our democracy is not missed.

I welcome any further opportunity to discuss these matters with you.

s47F

10 October 2023

s47F



ACTING PRIME MINISTER

Reference; MC23-073620

25 OCT 2023

Senator the Hon Don Farrell
Special Minister of State
Parliament House
CANBERRA ACT 2600

Dear Minister

Don

Thank you for your letter to the Hon Anthony Albanese MP, Prime Minister, dated 12 September 2023, seeking approval to the Government response to the Joint Standing Committee on Electoral Matters' Interim Report on the *Conduct of the 2022 Federal Election and Other i\atters* (Interim Report). s47C

[REDACTED]

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s47C
[REDACTED]

s47C
[REDACTED]

s34(3)
[REDACTED]

I have copied this correspondence to the Hon Dr Jim Chalmers MP, the Treasurer,
Senator the Hon Katy Gallagher, Minister for Finance, the Attorney-General, and the
Minister for Communications.

Yours sincerely



RICHARD MARLES

25/10/23



Pat Conroy MP

Federal Member for Shortland

2 November 2023

The Hon Don Farrell
Special Minister of State
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

Dear Minister,

I write to make representation on behalf of **S 47F(1)** concerning the integrity of our democracy.

Your consideration of the matters raised in correspondence and any advice you can provide would be appreciated.

Yours sincerely,

rtv i:l,

Pat Conroy MB
Member for Shortland
Minister for Defence Industry
Minister for International Development and the Pacific



The Hon. Pat Conroy, MP

Minister for Defence Industry

Minister for International Development and the Pacific

Dear Minister,

My name is **S 47F(1)** and I have recently moved to Lake Macquarie. As a resident of your electorate, I am concerned about the integrity of our democracy.

S 47F(1)

I have long-standing concerns about how to strengthen democratic institutions and the role of how political donations can undermine them.

I am currently engaged in the #OurDemocracy Campaign, working towards a shared vision: a political system where the wellbeing of people and our planet is at the heart of every decision our government makes.

I, along with my wife **S 47F(1)** and fellow residents **S 47F(1)** all of whom are your constituents, would like to recommend to the Joint Standing Committee of Electoral Matters:

1. The lowering of the donation disclosure threshold to \$1,000.
2. The Australian Government introduce 'real time' disclosure requirements for donations to political parties and candidates.
3. The Australian Government introduce a requirement that all political parties, members of Parliament, candidates, associated entities and third parties be required to establish a Commonwealth Campaign Account for the purpose of federal elections, to better allow for disclosure and monitoring.

Yours faithfully,

S 47F(1)



Senator the Hon Don Farrell

Minister for Trade and Tourism
Special Minister of State
Senator for South Australia

Ms Kate Thwaites MP
Chair
Joint Standing Committee on Electoral Matters
Parliament House
CANBERRA ACT 2600

REF: MS23-000794

8 NOV 2023

Kate
Dear Ms Thwaites

I am pleased to provide to the Committee the Government's response to the Joint Standing Committee on Electoral Matters' (JSCEM) *Conduct of the 2022 federal election and other matters – Interim Report* (Interim Report).

I appreciate the Committee's dedication in investigating the 2022 federal election and delivering its Interim Report. The list of recommendations are aimed at strengthening our democracy, and support the Government commitments to improve the transparency and accountability across our electoral system. The Government notes the recommendations in the attached response, and will consider these potential reforms as part of its response to the JSCEM Final Report.

I believe electoral reform should be undertaken in a consultative and bipartisan manner.

I look forward to engaging with colleagues across the parliament on these vital reforms, pending the committee's final report later in the year.

This response will be tabled in Parliament.

Yours sincerely

Don Farrell
Don Farrell

OFFICIAL



Senator the Hon Don Farrell

Minister for Trade and Tourism
Special Minister of State
Senator for South Australia

REF: MC23-003279

Ms Zoe Daniel MP
Member for Goldstein
677 Nepean Highway
Brighton East VIC 3187

9 NOV 2023


Dear Ms Daniel

Thank you for your letter and for our recent meeting with me and other crossbench members about electoral reform.

The Labor Party is committed to an open and transparent democracy and has led democratic reform in Australia's federal electoral system. You will be familiar with reforms by the Hawke Labor Government, including expanding the parliament to increase representation and establishing an independent electoral commission to oversee federal electoral events.

Given your interest in political donations, it is important to note Labor's proud history of political donations reform and that Prime Minister Hawke was the first to introduce funding transparency in the 1980s. Under Hawke's regime, donations above \$1,000 had to be declared and this remained until late 2005. Then the Howard Liberal Government increased disclosable amounts to over \$10,000, and by linking it to inflation, has caused the disclosure threshold to blow out to more than \$16,300 today.

Since the election, the Albanese Labor Government has been ready to pursue long overdue electoral reform. For a decade, we had held the Liberal Coalition Government to account in electoral matters. We pursued important protections from foreign interference in our electoral events and ensured that Northern Territorians kept their representation in the federal parliament.

You will be familiar with the proposals for electoral reform that I have made as Special Minister of State. You will also know that soon after coming into office, I wrote to the Joint Standing Committee on Electoral Matters (JSCEM) and asked it to initiate its inquiry into the 2022 federal election. As part of that process, I asked it to consider, amongst other things, reforms to political donations laws, including applicability of real time disclosure and reducing the disclosure threshold to a fixed \$1,000.

When JSCEM released its interim report in June, I was pleased to see its interim recommendations supported Labor's propositions for reform. As is usual process, the Government must consider these interim recommendations and how these could be implemented. I anticipate JSCEM will provide its final report later this year, which will inform the Government's electoral reform legislation.

I have been very open and clear about my intention to consult across the parliament about electoral reform, and this is underway. However, I also have great respect for the work of JSCEM and its role as the Committee with responsibility for electoral reform. In that context, I will continue to have discussions with members of the parliament, but also must have due regard to the recommendations made by the multi-partisan, joint standing committee with representation from across the political spectrum.

Labor believes electoral reform should be undertaken in a consultative manner and I look forward to continuing to engage with colleagues on these vital reforms, as we await JSCEM's final report.

Yours sincerely



Don Farrell

OFFICIAL



Senator the Hon Don Farrell

Minister for Trade and Tourism
Special Minister of State
Senator for South Australia

REF: MC23-003281

Ms Kate Chaney MP
Member for Curtin
PO Box 186
FLOREAT WA 6014

9 NOV 2023

De

Thank you for your letter and for our recent meeting regarding electoral reform.

I have appreciated the opportunity to hear from you directly about your views on electoral reform and the elements of your proposed legislation. As we have discussed, and I have indicated to others, I am keen to continue conversations about electoral reform across the parliament including with minor parties and independents.

Since the election, the Albanese Labor Government has been ready to pursue long overdue electoral reform and remedy issues such as the excessive political donations disclosure threshold, which currently sits at amounts over \$16,300. As a member of the Joint Standing Committee on Electoral Matters (JSCEM) you will know that as Special Minister of State, soon after coming to office, I wrote to JSCEM and asked it to initiate its inquiry into the 2022 federal election.

When JSCEM released its interim report in June, I was pleased to see the recommendations supported Labor's propositions for reform. As is usual process, the Government must consider these interim recommendations and how these could be implemented. I am anticipating JSCEM's final report, which will inform the Government's electoral reform legislation.

I have been very open and clear about my intention to consult across the parliament about electoral reform, and this is underway. However, I also have great respect for the work of JSCEM and its role as the Committee with responsibility for electoral reform. In that context, I will continue to have discussions across the parliament, but also must have due regard to the recommendations made by the multi-partisan, joint standing committee with representation from across the political spectrum.

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~~OFFICIAL~~

Labor believes electoral reform should be undertaken in a consultative manner and I look forward to continuing to engage with colleagues on these vital reforms. I wish you all the best in continuing your work on JSCEM and look forward to receiving the final Committee report.

Yours sincerely



Don Farrell

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