Keeping the public’s trust - keep the cap on political donations

“If members of the Legislative Assembly want to keep Territorians’ trust and be seen to be free from the undue influence of business, unions and other interest groups, they need to keep the current cap on political donations,” according to Dr Peter Tait of the ACT Branch of the Public Health Association of Australia (PHAA).

Dr Peter Tait is commenting on the amendments to the ACT Electoral Act before the Assembly at present.

“Most amendments are benign. However the critical one from the perspective of democracy is the removal of any cap on receivable donations. At present this is at $10,000 per donor per year. At the same time it is proposed to increase the per eligible vote contribution from the Electoral Commission from $2 to $8.

“We fear the consequences of the removal of the donations cap will mean unfair and unaccountable influence on the political process by individuals and organisations including businesses and lobby groups. Even though donations are still reportable after the event, it’s just too late for proper monitoring.

“As Fitzgerald Inquiry special counsel Gary Crooke described on ABC Radio last week, in relation to fundraising by charging for access to ministers, ‘[it is] a "cancer" that kept coming back in politics and a betrayal of a fundamental public trust. They’re ... selling no more and no less than the community’s property that they hold in trust, in order to feather the coffers of a political party’.

“This devastates our notion of democracy because it undermines the democratic principles of equality (by permitting particular groups unfair advantage to push their interests), avoidance of tyranny (by affording particular groups capacity for undue pressure on candidates and elected representatives) and accountability (by opening the system up to undue influence, despite reporting requirements).

“Increasing taxpayer funding to parties and independents is healthy for democracy by reducing the need for parties and candidates to raise funds from other sources. Lifting caps on donations at the same time makes little sense. It is as if ACT parliamentarians are seeking to have their cake and eat it too.

“Keeping our democracy healthy means reducing – not increasing - the capacity for sectional interests to pressure the parliamentary process. Donations, in kind support and gift caps should be lowered to reduce this influence. However in the context of these amendments, if the proposal to increase public funding for electoral reimbursements goes ahead, then the limits to donations and gifts should at the very least be kept at the current limits.

“If the capital’s Territorians want to protect their democratic heritage from the undue influence of vested interests, then they need to let the Legislative Assembly know that they want to keep the cap on donations. This is urgent. The amendments are up for debate in this session of the Assembly.

For further information/comment:
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Russell McGowan PHAA ACT Branch President    0408 495 090
Keep the public’s trust - keep the cap on political donations

Peter Tait
Published: February 6, 2015 - 12:00AM

Members of the Legislative Assembly should want to keep the territory public's trust. One proposed amendment to the ACT Electoral Act, to be voted on in February's assembly sittings, puts our trust in them at risk. That is the plan to remove the current cap on donations to political parties and independent candidates.

The danger is that this opens the ACT political system to undue influence from business, unions and other interest groups. A recent example of how business influence can undermine the political process, and public health, was last year's fiasco when a staffer of Health Minister Fiona Nash, with links to a business lobby group, had the food health star rating system pulled after it was launched.

The consequence of this amendment is that donations from individuals and organisations including businesses, unions and lobby groups that seek to influence the political process will become unlimited. Even though they are still reportable after the event, this is too late to affect any given election. The removal of the cap undermines democracy because it undermines the democratic principles of equality (by permitting particular groups unfair advantage in pushing their interests), avoidance of tyranny (by affording particular small groups inequitable capacity to pressure candidates and elected representatives) and accountability (by opening the system up to undue influence, despite reporting requirements).

Democracy is important for health. Having control over one's life and circumstance is a core primary health care principle and underpins good individual and social health. Participation in and control over the political process is part of this. Anything that undermines the capacity for citizens to retain control over their government and the decisions it makes, and to hold them accountable, eats away at a person's health.

At a second level a key public health principle is that healthy people are grown in a health society, grounded in a healthy natural and physical environment. We know that many vested interests, particularly corporate interests, grounded in our current economic system, often run their businesses in ways that undermine the health of society and the environment. Unhealthy food, tobacco and alcohol, asbestos, chemical pollution and greenhouse gas emissions are all examples of how some corporations behave in ways that undermine health.

Influence on governments by these vested interest groups that seek to bend regulations in their favour, while understandable, is not always in the public good. The public is becoming dissatisfied by the perceived excessive influence business has. That might be one of the factors driving less public engagement in the political processes in Australia.
Donations to political parties by individuals and organisations are an established part of the political landscape in Western parliamentary government. However, it is recognised that this furnishes one way vested interest can buy favour with parliamentarians. Accordingly, legislation exists to limit and to attempt to make these donations transparent. The ACT Electoral Act has such provisions. These laws are to protect parliamentarians as much as the public.

A second amendment, to increase the per-eligible-vote contribution to parties and independents from the Electoral Commission from $2 to $8, is healthy for democracy. Increasing taxpayer funding, in theory, reduces the need for political parties and candidates to raise funds from donations and other sources, thereby limiting the influence donors can have over them.

However, when taken together with the lifting of caps on donations, this second proposal makes little sense. Reducing the possibility of unfair influence on one hand and raising it on the other is contradictory. It suggests that ACT parliamentarians are seeking to have and eat their cake.

Strengthening democracy requires that the capacity for sectional interests to pressure the parliamentary process be reduced, not increased. Donations, in kind support and gift caps, should be lowered to reduce this influence. However, if the proposal to maintain the expenditure cap at about current levels and to increase public funding of electoral reimbursements go ahead, the limits to donations and gifts should be at least kept at the current limits.

For decades the ACT government has had a Social Compact to frame its relationship with the ACT community. It was affirmed last by Katy Gallagher in 2012. This strong, responsive and effective relationship will be broken by removing the cap and will disadvantage community groups relative to the much better-resourced business and union sectors.

Recent media comment by David Ipp, of NSW ICAC, and Tony Fitzgerald, of Queensland anti-corruption renown, warn that issues of political party funding require close public scrutiny to make sure the principles of representative democracy are not undermined. Shonky electoral systems distort the democratic process - when it is money going in, the outcomes favour the wealthy and the powerful in society, at the expense of the general public.

If the capital's Territorians want to protect their democratic heritage from the undue influence of vested interests, they need to let the Legislative Assembly members know that they want to keep the cap on donations. This is urgent. The amendments are up for the vote in this session of the assembly. At the same time, if members of the Legislative Assembly want keep to Territorians' trust and be seen to be striving to be free from the undue influence of vested interests, they need to keep the cap on political donations.

**Dr Peter Tait is ecology and environment group convener at the Public Health Association of Australia.**

**Email:** aspetert@bigpond.com

*This story was found at: [http://www.canberratimes.com.au/comment/keep-the-public8217s-trust--keep-the-cap-on-political-donations-20150204-135m2o.html](http://www.canberratimes.com.au/comment/keep-the-public8217s-trust--keep-the-cap-on-political-donations-20150204-135m2o.html)*
4 February 2015

Mr Andrew Barr MLA
Chief Minister
ACT Legislative Assembly
GPO Box 1020
CANBERRA ACT 2601

Dear Chief Minister

The Public Health Association of Australia (PHAA) is concerned about the proposed amendment to Sections 205I and 205J that removes the cap on receivable donations from $10,000 per donor per annum.

We believe democracy is important for health for two reasons. First, having control over one’s life and circumstance is a core primary health care principle and underpins good individual and social health. A core part of this control is the ability to participate in and have control over the political process. Anything that undermines the capacity for citizens to retain control over their government and the decisions it makes, and to hold them accountable, eats away at a person’s health.

At a second level a key public health principle is that healthy people are grown in a health society grounded in a healthy natural and physical environment. We know that many vested interests, particularly corporate interests, grounded in our current economic system, often run their businesses in ways that undermine the health of society and the environment. Unhealthy food, tobacco and alcohol, asbestos, chemical pollution and greenhouse gas emissions are all examples of how some corporations behave in ways that undermine health.

Influence by these vested interest groups onto governments that seek to bend regulation in their favour, while understandable and even expected, is not always in the public good. The public is becoming dissatisfied by the perceived undue influence business has over Australia’s political processes.

Donations to political parties by individuals and organisations are an established part of the political landscape in western parliamentary government. However it is recognised that this furnishes one way that vested interest can buy favour with parliamentarians. Accordingly legislation exists to limit and to attempt to make these donations transparent. The ACT Electoral Act currently has such provisions. These laws are to protect parliamentarians as much as the public.
Consequences of the amendment to remove sections 205I and 205J is that donations from individuals and organisations including businesses, unions and lobby groups that seek to influence the political process will become unlimited. Even though they are still reportable after the event, this is too late to affect any given election. The removal of the cap undermines democracy because it undermines the democratic principles of equality (by permitting particular groups unfair advantage in pushing their interests), avoidance of tyranny (by affording particular small groups inequitable capacity to pressure candidates and elected representatives) and accountability (by opening the system up to undue influence, despite reporting requirements).

On the contrary, the other amendment to increase taxpayer funding to parties and independents is healthy for democracy, by in theory reducing the need to political parties and candidates to raise funds from donations and other sources, thereby limiting the influence donors can have on them.

However, taken together with the lifting of caps on donations, this second proposal makes little sense.

Strengthening democracy requires that the capacity for sectional interests to put pressure on the parliamentary process be reduced not increased. Donation, in kind support and gift caps should in fact be lowered to reduce this influence. However in the context of the current changes if the proposal to maintain the expenditure cap at approximately current levels and to increase public funding of electoral reimbursements go ahead, then the limits to donations and gifts should be at least kept at the current limits.

For decades the ACT government has had a Social Compact to frame its relationship with the ACT community sector. It was last affirmed by Katy Gallagher in 2012. This strong, responsive and effective relationship will be broken by removing the cap and will markedly disadvantage community groups relative to the much better resourced business and union sectors.

Recent media comment by David Ipp of NSW ICAC and Tony Fitzgerald of Queensland anticorruption renown, warn that issues of political party funding require close public scrutiny to make sure that the principles of representative democracy are not undermined.

PHAA suggests that if the Legislative Assembly wants to keep to Territorians’ trust and be seen to be striving to be free from the undue influence of vested interests, then they need to keep the current cap on political donations.

Yours faithfully

Russell McGowan
ACT Branch President
Public Health Association of Australia

Peter Tait
ACT Branch Committee Member
Public Health Association of Australia
4 February 2015

Mr Jeremy Hanson
Leader of the Opposition
ACT Legislative Assembly
GPO Box 1020
CANBERRA ACT 2601

Dear Leader of the Opposition

The Public Health Association of Australia (PHAA) is concerned about the proposed amendment to Sections 205I and 205J that removes the cap on receivable donations from $10,000 per donor per annum.

We believe democracy is important for health for two reasons. First, having control over one’s life and circumstance is a core primary health care principle and underpins good individual and social health. A core part of this control is the ability to participate in and have control over the political process. Anything that undermines the capacity for citizens to retain control over their government and the decisions it makes, and to hold them accountable, eats away at a person’s health.

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PHAA suggests that if the Legislative Assembly wants to keep to Territorians’ trust and be seen to be striving to be free from the undue influence of vested interests, then they need to keep the current cap on political donations.

Yours faithfully

Russell McGowan     Peter Tait
ACT Branch President         ACT Branch Committee Member
Public Health Association of Australia          Public Health Association of Australia
4 February 2015

Mr Simon Corbell MLA
Minister for Health
ACT Legislative Assembly
GPO Box 1020
CANBERRA ACT 2601

Dear Minister

The Public Health Association of Australia (PHAA) is concerned about the proposed amendment to Sections 205I and 205J that removes the cap on receivable donations from $10,000 per donor per annum.

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Yours faithfully

Russell McGowan     Peter Tait
ACT Branch President     ACT Branch Committee Member
Public Health Association of Australia     Public Health Association of Australia
4 February 2015

Mr Shane Rattenbury MLA
Minister for Territory and Municipal Services
ACT Legislative Assembly
GPO Box 1020
CANBERRA ACT 2601

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