

Renewing democracy by ending the campaign spending arms race

Democratic Audit of Australia submission to 20/20 Summit

Political equality is the central value of democracy, at the heart of government of the people, by the people and for the people. Neither political equality nor popular control of government can survive the corrosive effects of large amounts of money flowing to political parties from vested interests. Access and influence bought by political donations denies the basic democratic principle of open government. Dealing with the issue of party finance and political donations is currently a major challenge facing democracies across the world.

But while other democracies, including Canada, New Zealand and the United Kingdom have been tightening up the role of money in elections, Australia has moved in the other direction. Never before has so much been spent on election campaigning and on unrestricted electronic advertising. Most of this is paid for by corporate donors who expect some return for their investment.

Unlike public funding, private funding is not distributed in accordance with an equitable formula, such as level of support in the electorate or size of party membership. It offends against the principle of political equality in two ways. First, it denies the principle of the level playing field for electoral competition by ensuring different parties receive different levels of funding per vote. Second, it ensures that some citizens are less equal than others in terms of access to decision-makers—a donation of \$10 000 may bring the opportunity to bend a minister's ear at dinner.

To return Australia to the principle of political equality the Democratic Audit proposes the following measures:

- Ban corporate, union and association donations and restrict individual donations to a low level as in Canada;
- Place limits on party and third-party campaign expenditure as do comparable democracies;

- Allocate electronic advertising time in accordance with an equitable formula, as in Canada, New Zealand and the United Kingdom;
- Supplement existing public funding with an administrative allowance to make up for restrictions on other sources of finance.

These measures would create a more level playing field for electoral competition. But they are not enough in themselves. The playing field can also be skewed by misuse of government resources, such as spikes in government advertising immediately before elections or targeting of marginal seats by discretionary grant programs. To address the issue of incumbency advantages, whether those of government or simply of sitting members, the following are required:

- Clear guidelines for government advertising (overseen by Auditors-General) so it cannot be misconstrued as serving partisan purposes;
- Guidelines for the use of parliamentary allowances and parliamentary resources to ensure they are not used for election campaigns;
- Winding back of discretionary grants programs.

Removing the dependence of political parties on large donors and preventing the use of parliamentary and government resources for partisan purposes will do much to restore the health of Australian democracy and confidence in public decision-making.