

# Funding elections in a fair and transparent way

Bill Browne

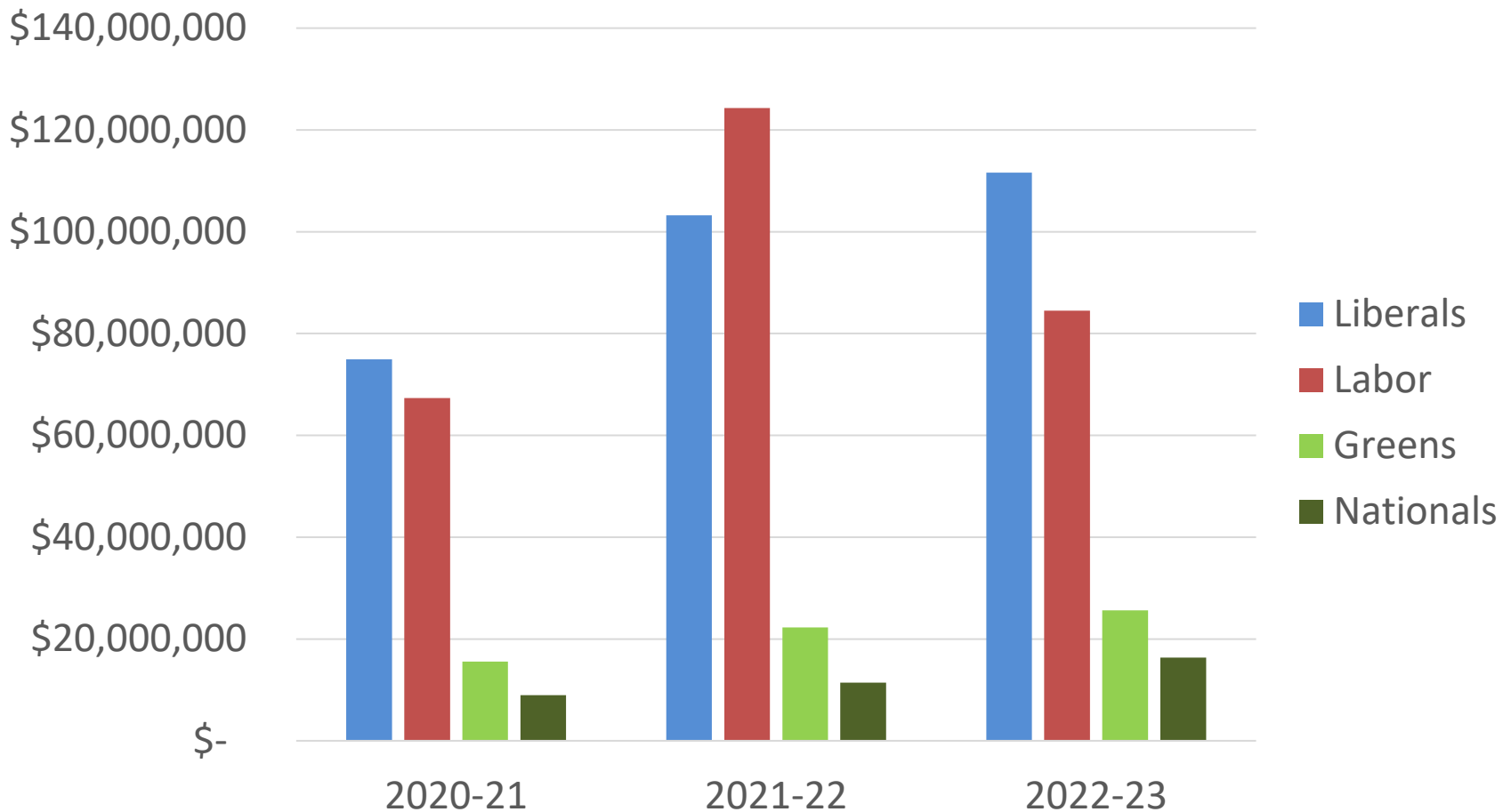
Democracy & Accountability Program

# Plan

1. Overview of political finance
2. What does “fair” reform look like?
3. Status quo and proposed changes
4. Constructive reforms

# Part 1: Overview of political finance

# Party receipts over an election cycle

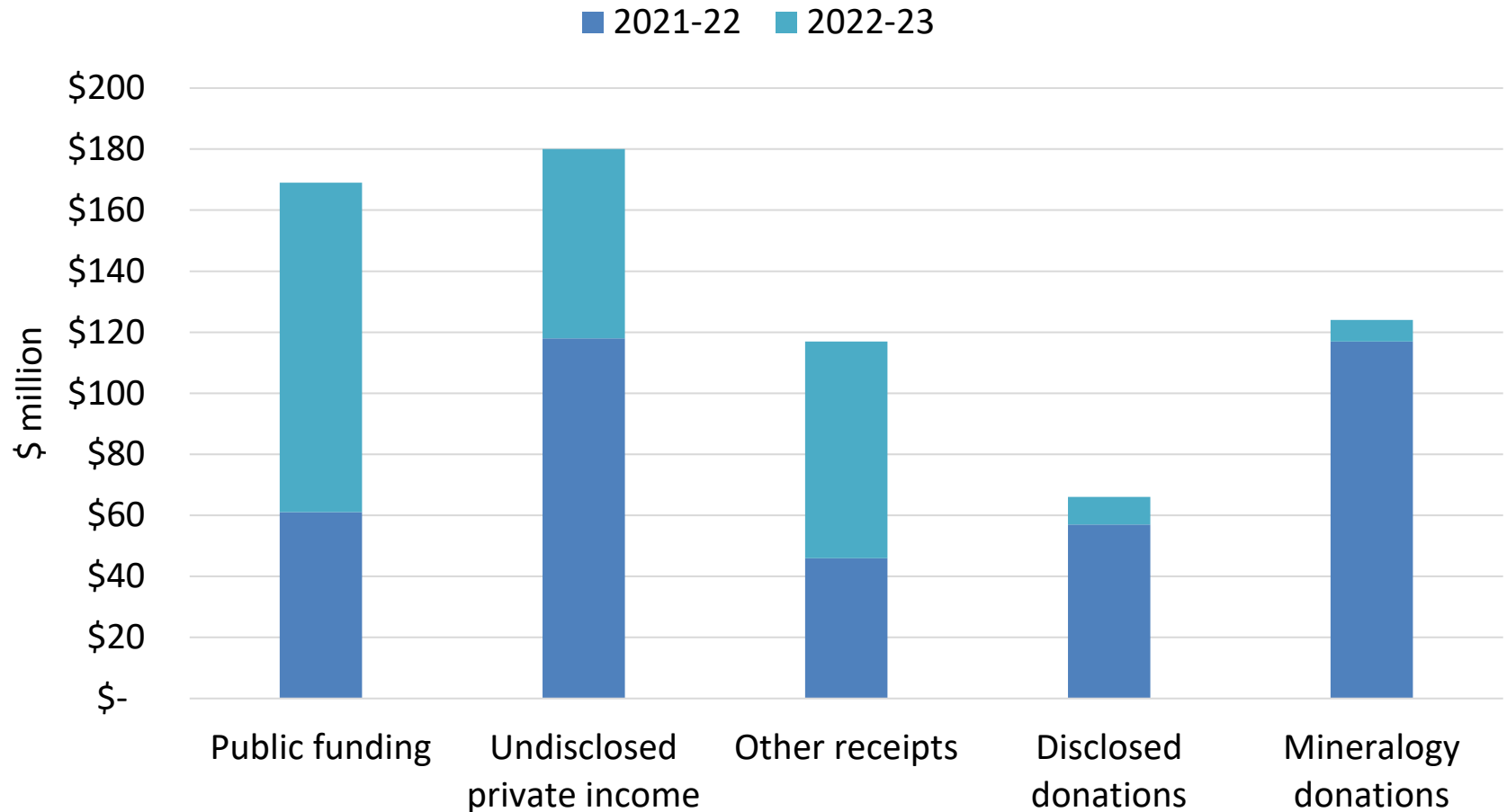


*Includes state elections; includes non-election expenses*

# Sources of money

- Donations from:
  - members of the public
  - corporations/lobbies
  - wealthy individuals
  - trade unions
  - donation aggregators
  - candidates
  - MPs and their staff
- Cash-for-access
- Party membership fees
  - rank and file
  - “business forums”
- Union affiliation fees
- Tithe on MPs and staff
- Assets/investments

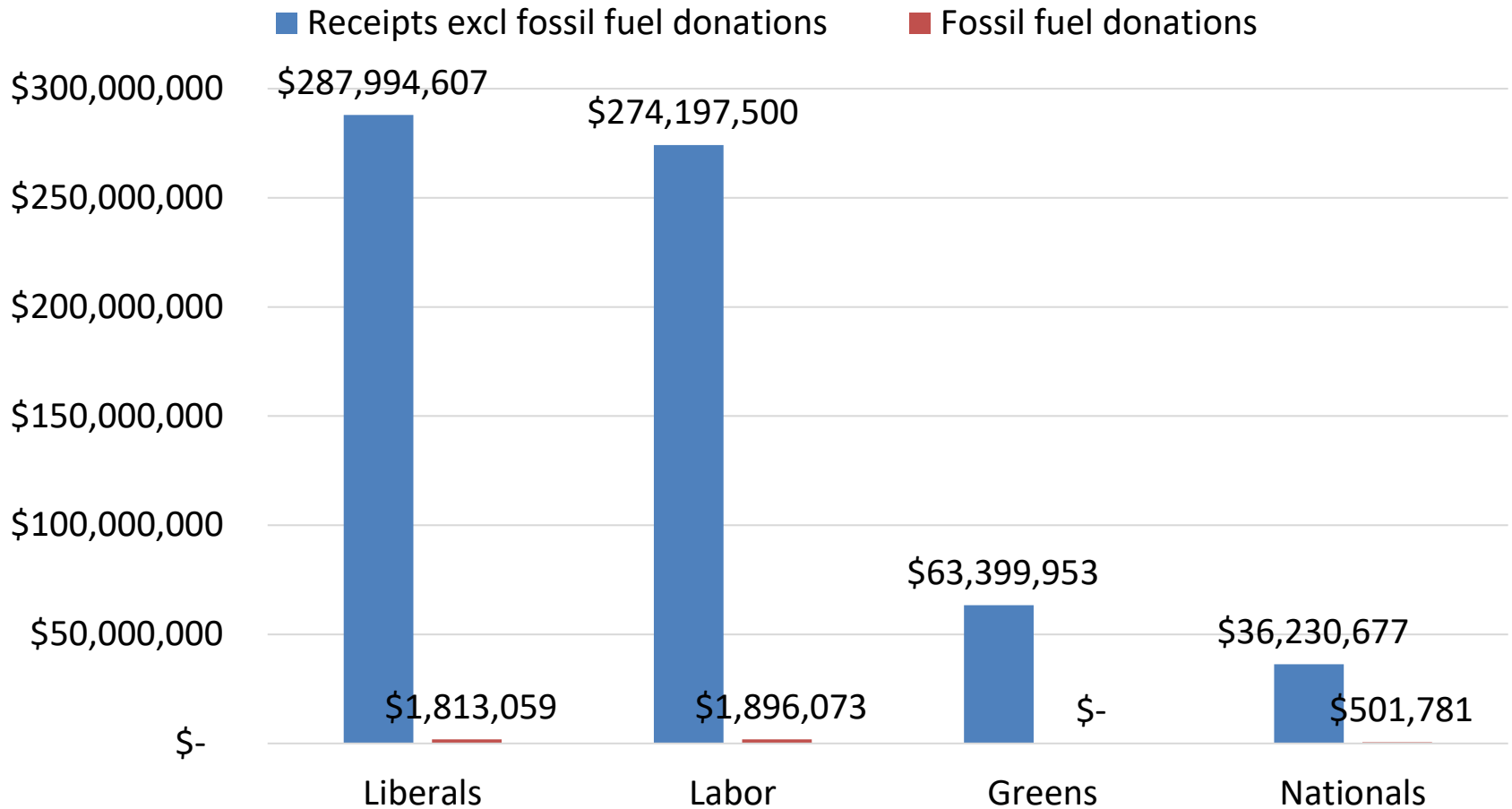
# Sources of money



*Adapted from the Grattan Institute and AEC*

# What does this tell us?

# Fossil fuel donations vs total receipts



2020-21 to 2022-23; adapted from Michael Mazengarb,  
*Renew Economy*



This was published 13 years ago

## A snip at \$22m to get rid of PM

Mark Davis

February 2, 2011 – 3.00am

HOW much does it cost to bring down a prime minister? The answer: a tad over \$22 million.



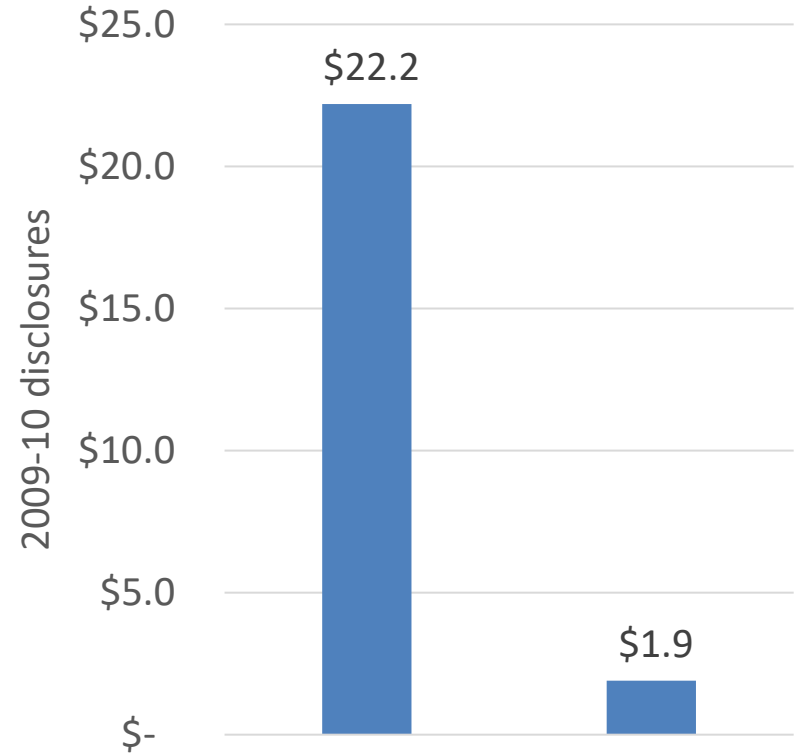
This was published 13 years ago

## Give us \$52m, and we will decide who runs the country

Peter Hartcher

February 2, 2011 – 3.00am

Save Share



Mining industry direct spending Mining industry donations to the Coalition

The **Australia Institute**

Research that matters.

# Part 2: What does fair reform look like?

# Principles of fair reform

## Fair treatment

- Range of choices; no *additional* barriers
- Incumbents vs new entrants
- Party vs independent
- Big vs small

## Targeted and effective

- Focus on greatest threats
- Public funding is fit for purpose
- Distinguish between good faith gifts vs cash-for-access

# Part 3: Status quo and proposed changes

# Electoral Reform Bill

## Labor reveals plans for election funding overhaul with caps on donations and campaign spending

By chief digital political correspondent [Jacob Greber](#) and political reporter [Tom Crowley](#)

Government and Politics

Thu 14 Nov



### 'Major party stitch-up' or strengthening democracy?: Inside Labor's electoral reform plan

The federal government plans to overhaul election funding, with caps to be placed on donations and campaign spending. Independents say it will disadvantage new voices seeking to enter parliament and bolster the two major parties.



### 'Can they be serious?': Don Farrell hits out at teals for outrage over donation caps

November 19, 2024 - 4:20PM [sky news.com.au](#)



Special Minister of State Don Farrell says the bill will "stop the arms race of donation drives", while independent MP Kate Chaney (right) described it as "a clear attempt to stamp out the competition". Source: AAP

PETITION

# SIGN NOW: Protect our elections!

MEDIA RELEASE

## Rushed changes to federal political donation laws could hinder, not enhance, democracy

November 15, 2024

**Changes to Australian democracy are too important to be rushed through parliament.**

But the Albanese Government has introduced a bill with 200 pages of changes to electoral laws. What's more, they're hoping to rush it through Parliament without proper review.

This leaves no time to consider how these changes will impact

**To the Parliament of Australia,**

*Trust in our democracy is embedded in strong electoral laws and processes.*

*The Electoral Legislation Amendment (Electoral Reform) Bill risks undermining this trust by being unfair, rushed, and shrouded in secrecy.*

*We call on you to immediately establish a parliamentary inquiry, with public hearings,*

**31,524 SIGNED SO FAR**

The **Australia Institute**

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# Donation caps

- **Status quo:** None
- **Govt's proposed changes:**
  - A donor cannot give a recipient more than \$20k for electoral purposes in a calendar year
    - Major parties are “groups” of 5+ parties
  - A donor cannot give more than \$640k for electoral purposes to *all* recipients in a calendar year
  - “Nominated entities” are exempt
  - After the 2025 election

# Spending caps

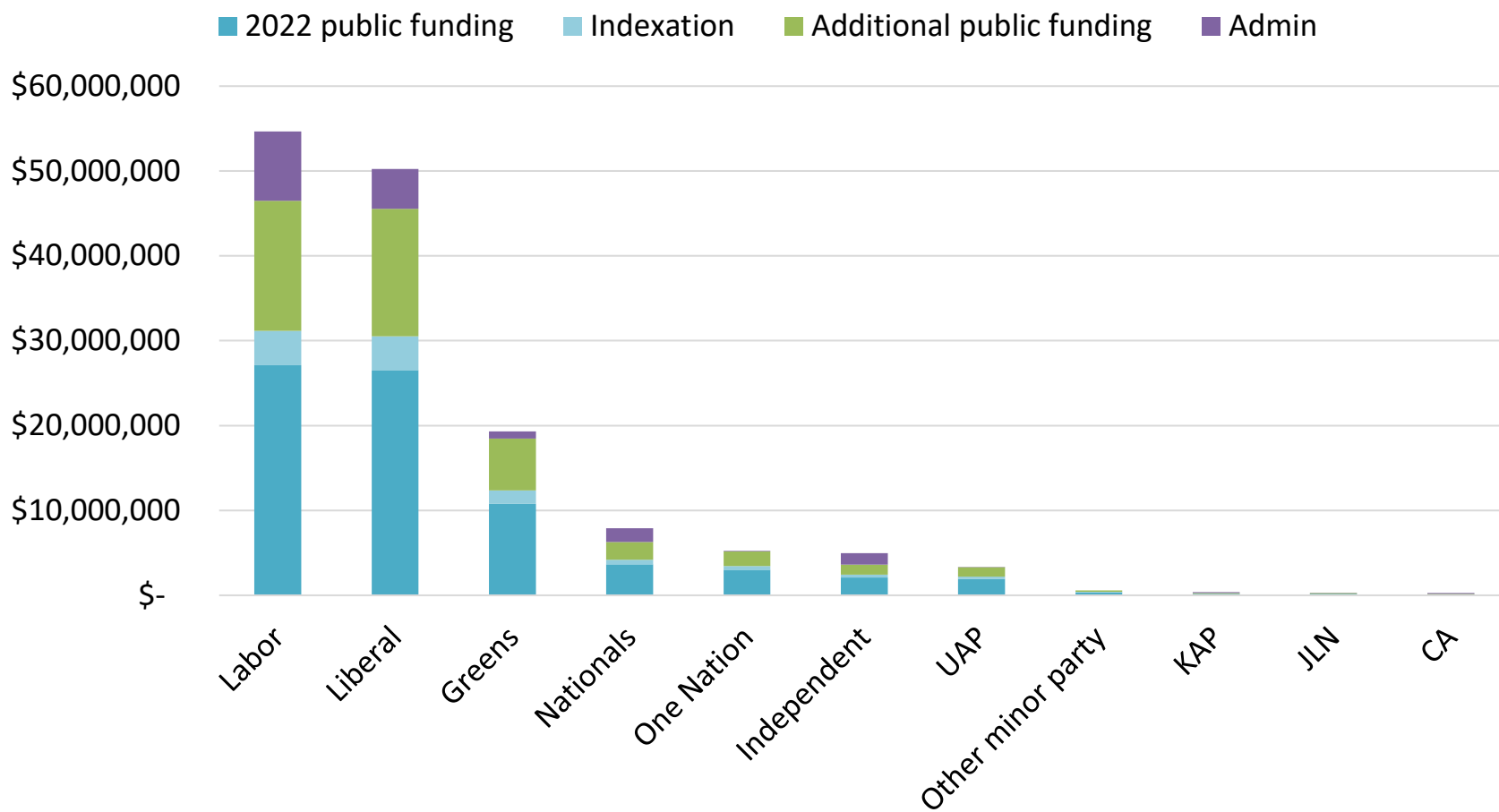
- **Status quo:** None
- **Govt's proposed changes:**
  - \$800k for each independent candidate
  - \$800k per seat for a party (if targeted; if mentions seat/candidate; divided among mentions)
  - \$90 million total for a party
  - (Other state and territory level restrictions)
  - \$11 million for a “third party”
  - (Election spending only)



# Public funding

- **Status quo:** ~\$3 per vote in HOR and Senate, reimbursement of actual expenditure
- **Govt's proposed changes:**
  - Increase to \$5 per vote
  - \$90k admin funding per HOR MP, \$45k per senator (per three-year cycle)

# Proposed public funding per cycle



# Transparency and disclosure

- **Status quo:** Contributions over ~\$17k disclosed in Feb data dump (this Monday!)
- **Govt's proposed changes:**
  - Contributions over \$1k disclosed
  - Gifts for electoral purposes over \$1k disclosed in real-time by recipient *and* donor
  - Donation splitting loophole closed

# Part 4: Constructive reforms

- Transparency and disclosure
- Reveal lobbyist activity
- Mega-donor cap
- Democracy vouchers

# Conclusion

- Complicated area, but fundamental to our democracy
- As a voter, you're entitled to an opinion!

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[australiainstitute.org.au](http://australiainstitute.org.au)