

ELECTORAL MATTERS COMMITTEE

Inquiry into voter participation and informal voting

Inquiry into political donations and disclosure

Melbourne — 23 July 2008

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Mr J. Beck, Victorian state chairman, and

Mr C. Isherwood, national secretary, Citizens Electoral Council of Australia.

The CHAIR — Welcome to the public hearings of the Electoral Matters Committee inquiry into political donations and disclosure and the inquiry into voter participation and informal voting.

All evidence taken at this hearing is protected by parliamentary privilege as provided by the Constitution Act 1975 and further subject to the provisions of the Parliamentary Committees Act 2003, the Defamation Act 2005 and, where applicable, the provisions of reciprocal legislation in other Australian states and territories. I also wish to advise witnesses that any comments they make outside the hearing may not be afforded such privilege. I take it you have read the 'Guide to giving evidence at a public hearing' pamphlet?

Mr BECK — Yes.

Mr ISHERWOOD — Yes.

The CHAIR — Mr Isherwood, please state your full name and business address.

Mr ISHERWOOD — Craig Isherwood, 595 Sydney Road, Coburg.

The CHAIR — Are you attending in a private capacity or representing an organisation?

Mr ISHERWOOD — I am national secretary of the Citizens Electoral Council of Australia.

The CHAIR — Mr Beck, please state your full name and address.

Mr BECK — Jeremy Beck of the same business address: 595 Sydney Road. I am representing the Citizens Electoral Council of Australia. I am Victorian state chairman.

The CHAIR — Your evidence will be taken down and become public evidence in due course. I now invite you to make a verbal submission. After the submission the committee reserves the right to ask questions of you.

Mr BECK — Thank you. First of all we thank the committee for giving us the opportunity to present our view. First of all, we are in an incredible economic crisis world wide, and we really have to look at this matter of electoral reform in that context, because if we are not looking at it in that context, it really does not make any sense.

We are openly associated with the physical economist Lyndon LaRouche. He is an American economist. He has forecast that right now the world is facing an economic crisis worse than the 1930s Great Depression, and we must look at any reforms given that context, or it will not make any sense. In such conditions of an economic collapse the population more than ever requires the political electoral process to be fair, truthful and not unduly manipulated by a wealthy minority to the detriment of the common good.

We will address the terms of reference of the Electoral Matters Committee, in particular whether the Electoral Act 2002 should be amended to create a system of political donation disclosure and/or restriction on political donations. However, such a limited change to the Electoral Act in the context of the present global economic crisis will amount to rearranging the deckchairs on the *Titanic* if we remain subjects of the Crown. We do support a republic and a government that governs for all the people, and institutions that represent the people, not the Crown.

If you read the Electoral Act 2002, you will see that section 6(2)(b) states that the Victorian Electoral Commission:

represents the Crown in right of the State of Victoria ...

The Citizens Electoral Council has demonstrated that the Crown, its oil and resource cartels and media assets are responsible for looting Australian citizens. Given that we are facing economic turmoil worldwide, it is crucial that our institutions represent the people, not the Crown.

We do face a danger under the current economic conditions, particularly under these conditions, and the danger is clearly outlined in this quote from former American president, Franklin Delano Roosevelt, from 29 April 1938. He said clearly:

Liberty of a democracy is not safe if the people tolerate the growth of private power to a point where it becomes stronger than their democratic state itself. That, in its essence, is fascism — ownership of government by an individual, by a group, or by any other controlling private power.

We are very concerned. We have been on the record, as an organisation, opposing this fascism, where people, ordinary citizens, are divorced from the political process and where we have a very tiny minority, the wealthy, controlling the political process.

The required changes include eliminating public funding. That means that people are not forced to have their taxpayer money going to political parties that they may not even support. In some cases people are only voting for what they see as the lesser of two evils. Under a public funding system they are forced to have their taxpayer money contribute to parties that they do not even support.

We are calling for the abolition of preferential voting, which is a highly confusing system, particularly in the upper house, where the more candidates there are on the ballot the more confusing it gets with all the preference flows. We are calling for a first-past-the-post system.

All parties must demonstrate evidence of a membership base. We certainly have to do that in the Citizens Electoral Council. We have to demonstrate we have 500 members in Victoria, or in any other state, or federally. We think it is only fair that all parties must demonstrate a membership base, particularly considering that membership numbers are declining in all the major parties — membership numbers have been widely reported to be dropping off enormously over the last several decades.

We oppose compulsory voting. Where in some cases someone does not like any of the parties, they are forced to vote for the lesser of several evils, and that is not fair. It will also allow a more educated population, a more politically motivated population, to go in there and vote, rather than disinterested people for whom the vote does not really count for anything if they do not understand what they are doing.

In relation to public funding, in 1983 the Liberal and National parties opposed public funding on philosophical grounds. The Liberal Party argued that taxpayers should not be forced to subsidise parties they oppose or find morally objectionable and that public funding would 'entrench incumbent politicians and parties to the disadvantage of new groups, parties or interests' — effectively what I was saying before on public funding. If we were to have a situation where we had complete public funding and a total ban on all donations, that would effectively be the end of democracy in Australia because no new party could actually get off the ground. They could not finance their campaigns and could not get their votes; it simply would not work. It would be the end of democracy if we had a total ban and complete public funding.

In terms of further changes required, only individual citizens should be permitted to contribute to a political party. That means no corporates, companies or unions. Only individual citizens should be allowed to donate or contribute to political parties. We support a cap on donations so that extremely wealthy individuals do not control the process more than what would be arguably fair. A \$20 000 cap we think is fair. It allows people to contribute a significant amount but not multimillions of dollars, which gives a very wealthy individual enormous influence, which we do not think is fair. We support disclosure if donations or contributions exceed \$5000, which is a cumulative disclosure limit — for instance, where someone contributes \$2000 plus another \$3000 or more over a period of a year. We support that kind of disclosure for amounts over \$5000. We also support the public disclosure of all expenditure in running election campaigns.

Another important point is government advertising. We oppose all government advertising. In the period from 1996 to 2003 all governments, state and federal, spent \$2.1 billion on government advertising. We think this is way too excessive. If you look at other examples overseas, they certainly do not reach anywhere near that level. The Howard government spent \$450 million in its last 16 months in power. This was noted in the *Geelong Advertiser* editorial. The current government of Victoria spends \$12 500 an hour on political advertising, with its latest annual advertising bill coming in at a record \$109 million, as reported by the *Geelong Advertiser*. We think that is extremely excessive and distorts the democratic process.

Electoral comment by media, we certainly know a lot about this. The Citizens Electoral Council has been blacked out by the major media. They are private powers. The major media are responsible to their shareholders and they have no interest in the general welfare, the common good, of the people. The mainstream media has blacked us out. It is not fair for the media to black anyone out. All candidates, no matter who they are — from what party or whether an individual or Independent candidate — should all have fair and equal coverage. We are calling for a media directorate to be established to monitor media so that all candidates get fair coverage, and that includes not only elections but between elections.

That is what I have to say. Craig and I will be able to answer any questions, should you have any questions.

Mr O'BRIEN — Thank you for your submission. In the early part of your PowerPoint presentation you made some comments that were fairly negative towards the Crown, and I suppose for the record I would just like to know if it is still the position of the CEC that the British royal family is engaged in international drug trafficking?

Mr BECK — We would not say that they are directly running drugs but the Queen heads up a system which does run drugs; it is the system, not the Queen herself. We are in a system where the financial powers, headed up by the Crown, allow enormous drug pushing. The British Empire has a history of this. If you look at the opium wars against China, it is not new.

Mr O'BRIEN — You also mentioned that you are very, I suppose, opposed to fascism, and your policies and your proposals are designed to sort of try and stop that from occurring in Australia. Can I say I am actually quite disturbed by the fifth element of your proposals — to establish a media directorate, to have the state basically overseeing what the press puts out and directing them as to what they can say and what they cannot say. I am just trying to find the right phrase so I can quote you accurately:

... under ... criminal sanctions ... all media, printed or electronic, operate within their state to give equal and fair coverage to all candidates and registered political parties, both at elections and between elections.

You have some government bureaucrat deciding what fair coverage is — not just during election campaigns but every day, because it is between elections. Isn't having some government bureaucrat sitting there in charge of what we see, what we read and what we hear a good example of fascism?

Mr ISHERWOOD — I think there has to be a balance, because you are talking about very powerful, privately owned interests directly interfering to comment on the electoral process. The intention of the directorate would be to actually protect and provide, not tell people what they can and cannot say and who can say what and whatever, but simply cover fairly and equitably the entire process so that people — —

Mr O'BRIEN — It tells journalists what they can write, does it not?

Mr ISHERWOOD — Sorry?

Mr O'BRIEN — It tells journalists what they can write?

Mr ISHERWOOD — No, it does not. All we are saying is that if you have other political parties running, multiple numbers of political parties, cover them all, not leave a heap of them out, which is what happens in the electoral process today.

Mr O'BRIEN — I am just not sure how this directorate can ensure what you call equal and fair coverage to all candidates and parties at elections and between elections. How can that operate if the director is not saying, 'You have given too much to that, you have got to drop that story, you are being unfair to them, you have got to change that story'.

Mr ISHERWOOD — We believe that just by having a mechanism you would bring under control what is happening now, which is one-sided reporting of election campaigns. It also has to be seen in the context that we do not support the huge volume of money spent by governments before elections, like in the last campaign — governments spending millions of dollars advertising their political position on commercial television. That too distorts the process so that is why we have said to eliminate the advertising through private corporations.

However, that does not mean you cannot run public policy issues on the ABC. There is a balance. We are not used to the idea that somehow someone can act in the interests of the general public for the benefit of everyone, and I do not think it would just come down to one person essentially. There would have to be controls in terms of how that bureaucracy would act, but the idea is that you cannot have private concerns like large multinational corporations — media concerns, and international as well — controlling the political process of a sovereign country.

Mr O'BRIEN — This is my final question, Chair. The Australian constitution provides in section 51(xxxi) that the commonwealth can make laws for 'the acquisition of property on just terms from any State or person'. Basically, the government can appropriate property but it has to do it on just terms. Is there not a

concern that if you are basically trying to tell private media organisations what they can and cannot do or what they can and cannot print, that is really acquiring their property, and would not your proposal have some constitutional problems?

Mr ISHERWOOD — Again, you are coming back to this issue that we have a balance defined between commercial operations that act in the interests of their shareholders and governments who are elected by people to look after their concerns. This is general welfare. This is a foreign idea these days. What we have had in the last 30 years, particularly since 1983, since the Joint Standing Committee on Electoral Matters looked at this issue and brought in public funding — that is where that Liberal Party quote comes from — is a move towards what I would consider cartelisation of the electoral process: more and more focus on the two major political parties. The intention back then was to try and spread the funding around so that more parties could join the fray.

In fact, it has gone the opposite way. If you look at some of the statistics on that, you find that the money is still with the major parties. That is what our concern is. You have to have a process that moves away from this idea of cartelisation and gives as much power back to the individual citizen as possible. That is where the governments of a country derive their power, from the citizenry, not from corporations and private boardrooms or groups of unincorporated associations or associations. They have their own function, which is why we developed the recommendations that we have for this committee. It is a different view because we do not operate within the system. Therefore this is what we believe government should be; it is our philosophy of government, if you like, of and for and by the people.

The CHAIR — What would you say are the ostensible reasons why you are blacked out by the media?

Mr ISHERWOOD — In most cases there are political policy decisions being made. There are areas in the regional media where that does not happen. The national media is a different story. We do not have \$22 million of public funding to run major electoral campaigns. If we did have the money, we could make a larger message input. We did one year actually spend about half a million dollars in advertising and the vote went up for our party across Australia. So you can, if you have got the money, influence the vote.

The CHAIR — How did you get the \$500 million?

Mr ISHERWOOD — It was through a private contribution at that time. It was not \$500 million; it was \$500 000.

The CHAIR — A private contribution?

Mr ISHERWOOD — Yes. The Citizens Electoral Council raises all its funds through a large majority of private contributions, 99 per cent of which are under the \$1500 disclosure threshold. It is all a matter of public record because — —

The CHAIR — How much did your vote go up by?

Mr ISHERWOOD — I am not sure of the exact figure; I would not want to quote. But it went up across the whole country.

Mr BECK — Also, we are affiliated with Lyndon LaRouche and the powers that run most of the media have put out the word, 'Do not cover LaRouche'.

The CHAIR — Thanks very much for your time.

Witnesses withdrew.