

**ELECTORAL MATTERS COMMITTEE**

**Inquiry into the conduct of the 2006 Victorian state election and matters related thereto**

Melbourne — 28 August 2007

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Ms A. Jones, chief executive officer, Action on Smoking and Health Australia.

**The CHAIR** — Welcome to the public hearings of the Electoral Matters Committee inquiry into the 2006 Victorian state election and matters related thereto. All evidence taken at this hearing is protected by parliamentary privilege, as provided by the Constitution Act 1975, and is 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 that they make outside the hearing will not be afforded such privilege. I trust that you have the pamphlet on giving evidence?

**Ms JONES** — Yes.

**The CHAIR** — Can you please state your full name and address for the benefit of Hansard?

**Ms JONES** — My name is Anne Jones, I am the chief executive officer of Action on Smoking and Health Australia, and my address is 153 Dowling Street, Woolloomooloo, Sydney.

**The CHAIR** — Your evidence will be recorded and in due course will become public evidence. I now invite you to make a verbal submission and the committee will ask questions after that.

**Ms JONES** — Thank you for the opportunity. I will be speaking just briefly to my one-page admission. I also have an extra page of references here that I would like to table. Would you like me to do that now, rather than at the end?

**The CHAIR** — Yes, please.

**Ms JONES** — Today I am speaking on behalf of my organisation, Action on Smoking and Health Australia, which is sometimes referred to as a lobby group. It is funded by other charities, such as the Cancer Council New South Wales and the Heart Foundation. I have been an advocate for tobacco control reform, legislation and policies for 12 years, so I do have quite a bit of experience in lobbying politicians but also experience with a very powerful industry group, the tobacco industry. I have also been able to observe at close hand many government decisions that unfortunately did not always take into account the advice of their own health departments and of experts and would often delay or even dumb down some policies because of the lobbying influence and power of a very large commercial entity. I can give you many examples of that and I have actually referenced some published examples for you.

Today I want to confine my comments, however, to just some of the principles that we support. They are basically three principles. One is greater disclosure of political donations. The second and third are that we strongly recommend reform that would cap donations as well as cap expenditure. If we could have some major reform of our financing of elections and political parties, I think that we would have a much more equitable, transparent and accountable electoral system that does have a lot of community support. We believe there is a lot of disquiet in the community about how political donations are undermining and damaging our democratic system, that we do have many donations, that are often exposed in the media, from developers, tobacco companies and the gambling and liquor industries as well as wealthy individuals. Although we are not suggesting that we should not have any donations in all, what we are suggesting is that we could improve our system quite dramatically if we had greater disclosure, and if we had caps on expenditure and caps on political donations.

As an advocate or lobbyist myself, I would have no difficulty whatsoever in disclosing on a public register — a website, preferably — the donations I make, the submissions I give to government, the number of meetings I have with politicians and who I meet with. I would have no problem. Everything we do in terms of the health industry we are very up-front about and we often put our government submissions on our own websites. If that was imposed upon us or even asked of us, we would be very happy to do that.

In the lunch break I had a quick look at the website for New York. I have put the link to it and made some reference to it, because I think it is a very good model of a system which would provide the same sort of information I am prepared to make available as a lobbyist. That sort of information could be made available for any candidate for a particular jurisdiction in the United States. It would be accessible and timely and it has some accountability and some very good measures there. Although I did not have much time to look at it, I do recommend that that is the sort of model that could be very useful for your committee perhaps to be directing there be further investigation into.

I suppose the rationale for somebody like myself being here to talk to you is that we have had some very bad experiences, with the tobacco industry in particular. Some of the references I have given to you — and these are published references — show that there is a correlation between donations and support for legislation that is not in the public interest in that, instead of supporting tobacco control measures that would reduce disease and the costs of what certainly in Australia is the single largest preventable cause of death and disease, we have published evidence there about the link between donations and politicians supporting the position of that commercial entity. I am not suggesting that that happens everywhere, but that is fairly strong evidence and if you are interested I can certainly tell you of examples from our own experience here in Australia.

It is our understanding that now political donations in Australia have risen to nearly \$200 million a year. That is an extraordinary amount of money. We seem to be heading in the same way as the United States and it is just going to go on unchecked and out of control unless we do have some reform. I do not expect that a committee can solve all these problems in the short term, but I think some good recommendations could be made that might help make a more accountable system.

Some of the recommendations we have put in here include that we think that it goes beyond state boundaries, of course. For example, we have been very disappointed with the recent changes federally to the electoral act, which have made donations more secret. We feel that a national summit of experts and leaders, independent from government, could be one such recommendation we would like to see, to try to address these issues at a national level. That is just one of the recommendations we make.

In terms of your own Parliament, there are other models in other jurisdictions. Again, I have not had a chance to look at how effective they are, but for example in New South Wales there is a standing committee on privileges and ethics. A member of that committee, or somebody who advises that committee, is somebody outside the Parliament, who is regarded as independent, is their ethics advisory officer. That person actually gives confidential advice to many members. It is not legal advice but any member has the right to seek ethical advice about codes of conduct and that committee does develop codes of conduct. That is a model that may be worthy of consideration, in terms of being able to move forward and consider some of these issues in a more detailed way than might be possible by a committee that can make some recommendations but not solve all these problems.

The other models that I think are quite useful are, of course, from Canada and New Zealand. An inquiry into political donations is going to be taking place in the New South Wales Parliament, that is due to sit some time this year — the motion was passed only in June or July — and we were very supportive of setting up that parliamentary inquiry.

**The CHAIR** — Which committee is that?

**Ms JONES** — Which committee is it? I do not think an electoral matters one, I think it is a joint committee.

**The CHAIR** — They do have an electoral matters one.

**Ms JONES** — Do they? Okay, this is a joint committee, and they are still to determine the composition of that committee, but they have agreed to the terms of reference, which is looking into political donations and other broader issues.

As a precursor to that, there have been some very good briefing papers produced by that parliamentary library service, which does some of the work that I was not planning on doing, which look at the various models, because they are not perfect models. What has happened in Canada, the UK and New Zealand is interesting. They are all trying to come to grips with the reform of the political financing of elections, but I think that these are good models and they are worthy of further investigation.

In summary I wanted to say that we believe that legislative reform is long overdue. We think there is significant community concern, and certainly concern amongst many lobbyists or health professionals, who are very upfront about their submissions and the influence that they try to bring to bear on public policy. To start the process of reform we would seek a number of recommendations, including an inquiry like this to look into what sort of measures would be recommended to start this reform process.

It would also be to look at some of the models from overseas and within other parliaments about the codes of conduct, ethical conduct in particular, and also how we go about imposing those sorts of limits on expenditure and political donations as well as improving our disclosure laws — that we go beyond seeing it as obviously just something that can be resolved here in Victoria but think about what actions could be taken nationally to try and address this issue. Whatever you do in Victoria, you still have to deal with the federal legislation and the fact that we have now gone backwards in Australia compared to other similar OECD countries in that donations now are far more secret than they have been before. I think I will stop at that point, because I would prefer to spend the time answering any questions.

**The CHAIR** — Thank you.

**Mr SCOTT** — Just in regards to the studies that were done on donations and voting patterns, I am not surprised at all that there is a relationship between people who are pro-tobacco and receiving donations from the tobacco industry in the US. Has there been the establishment of the direction of causality in those sorts of studies? I know that it is very difficult process. Have there been examples of people who were pro-controlling tobacco but then later received donations of a significant scale and changed their stance on that legislation as it came before the Congress. I imagine a Midwest farming state representative who represents a tobacco district would be much more likely, naturally, to support the tobacco industry, but in terms of building the argument for that relationship, it would interesting to see whether there are some examples of people who have changed their position.

**Ms JONES** — That is right. One of the reasons I put the JAMA paper on the second page was so that you could get a little bit more detail there and see the references. It might be more useful for me to give you an Australian example, if I may, because I have been closely involved with all the legislation not only at the national level and any changes in trying to improve tobacco control policies but also at various state levels. One example was that you may recall the graphic warnings that are now on tobacco packages, which is honest and accurate information about the health effects of consuming these products.

Up until only a few months before the final decision was made about the size of those warnings, those warnings were going to be 50 per cent in size on the front of the pack. At the last minute, following a meeting with the tobacco industry and the health minister, those warnings were downsized. They had already been delayed an extra two or three years beyond the period that had been originally announced for when those warnings would be put in place. That is an example that I am very closely involved with. We are extremely disappointed about the outcome because, up until the last minute, we believed they were going to be a certain size. Of course, as other studies

have shown, the impact of the size of the warning is far more likely to deter people from smoking those products — the bigger the warning as opposed to the smaller.

There are other examples about the influence of the gambling lobby, which in turn those organisations have been funded for many years by the tobacco industry. To give you one closer to home, the definition of an outdoor area where smoking is allowed to take place now in pubs and clubs is up to 75 per cent enclosed. Most people would imagine that an area up to 75 per cent enclosed does not sound like an outdoor area; it is a very enclosed space. That is exactly the position that the hotel lobby wanted. It was not based on evidence, and it certainly was not supported by the health authorities and the health departments that advised government at the time. In other words, what I am saying is that governments are given very good advice based on evidence in the area of health which often is not accepted in full. That is the right, obviously, of politicians to choose. They are the ones who decide what happens. But inevitably, in all of these experiences we have had, we have found that a lot of measures that would have been definitely in the public interest and that were definitely based on the evidence were delayed, slowed or only taken in part following the lobbying of the big commercial entity that had much more influence and power than the health authorities that were giving the advice about what really should happen. It does concern us.

It is very difficult to unravel all of those and say, ‘This shouldn’t happen; it shouldn’t have gone this way’. I think it is best to step back from it and say, ‘Let’s just be very up-front about who gives what to politicians in terms of those donations’, and that we should have that in a timely fashion. If we did consider having caps on expenditure and caps on donations, we would have a level playing field. I believe there is support within every major party, because I have met with supportive members of the Liberal Party, the Labor Party, the Democrats and the Greens. The Greens are much more supportive across the board in reform of political donations. Within the major parties there is not uniform support, but there is some support. The view of some of those people that I have spoken to — and this is at the national level, not in Victoria — is that it could be simpler for everybody if we did have a level playing field. Rather than being awash with all of these millions of dollars that come in, putting pressure on politicians to give time to these various entities when they come knocking on doors, it would be simpler all round to have those sorts of caps in place so that there would be a more equitable and level playing field in place and perhaps less money to spend on very drawn-out election campaigns, about which, again, I think there is a fair bit of disquiet in the community.

**The CHAIR** — Just continuing on from the cap in donations, it is very interesting and I think it really is worth investigating further. But there is a trade-off. Brian Costar alluded to the trade-off before, when he said that government funding of elections in Canada has gone up to 50 per cent, as compared to 20 per cent in Australia. You are suggesting a cap, and you are probably suggesting that we should not increase government funding.

**Ms JONES** — I do not have a problem with government funding, but I am a bit cynical about what has happened in the past, which is that we did get taxpayers funding politicians in the current system that we have — reimbursing them for some of the electioneering costs. All that has happened is that we have seen the private donations going up and up as well as having the taxpayers funds. I think that is one of the reasons why there is a lot of cynicism about the current situation. I think a trade-off is something that should be negotiated, but I do not think it should be that there continues to be this uncapped amount from private sources as well as taxpayers giving their money.

**The CHAIR** — What I am concerned about is that if a trade-off does not happen, if donations are taken away and government funding does not increase, only the more affluent will enter politics, and I do not think that is a direction we should be going.

**Ms JONES** — I think we are already in that situation now, because the donations certainly favour the major parties. And of course the sorts of recommendations we make about

disclosure apply to all parties, all candidates. Maybe this is why it is going to be very difficult getting support, because it might mean that the major parties get quite irritated by the smaller parties, and so on. One would hope that by looking at different models and also getting some independent advice too on these issues we might get a more balanced outcome. I think it is hard to expect politicians to make decisions that will affect politicians in terms of how much income you will get for elections and you yourselves all having to participate and fight for your own positions. Whether the Auditor-General has a role in all of this is worthy of exploration. But certainly looking at giving greater emphasis to the role of codes of conduct and ethics within the Parliament would be something that I am sure would be welcomed by many people outside the Parliament.

**The CHAIR** — Just one more thing on capping. How do you propose that expenditure be capped — that there be capping to individual campaigns at a local level, or that there be capping of each party's campaign, money spent on a particular election campaign?

**Ms JONES** — This is where I think investigating these other models is very worthy of further exploration. I do not profess to have all of the answers to this. That is why in the beginning I said that I am really talking about the principles of better disclosure, capping of expenditure and capping of donations. As to how we do that I think we need to review the models that currently exist and talk to people who are independent and are specialising in ethical issues, I suppose. There are many ethicists in the community, and it is their role to advise on those sorts of issues. I think New Zealand — I could be wrong about this — has had caps on expenditure by the party as a whole. That has not been perfect, either. I think there have been accusations of not so much rotting but of people not complying with whatever those laws are in New Zealand. So it is not something that can be quickly determined in the short term. But what we are certainly keen to see is the beginning of a reform process. We hope you can make recommendations that will further explore what are better models than we currently have.

**The CHAIR** — Thank you.

**Mr THOMPSON** — My question is to get a bit of background in relation to Action on Smoking and Health.

**Ms JONES** — Yes.

**Mr THOMPSON** — Is it a public company or limited by guarantee?

**Ms JONES** — It is limited by guarantee; it is a charity. It is funded by other charities — the Cancer Council New South Wales and the Heart Foundation. Our sole purpose is to reduce the burden of disease and the 16 000 deaths a year that are caused by tobacco products. Hence my focus on the tobacco industry.

**Mr THOMPSON** — How many members does it have?

**Ms JONES** — The members are the Cancer Council New South Wales and the Heart Foundation, a professor of public health and two thoracic physicians. They are the members.

**Mr THOMPSON** — Thank you.

**Ms CAMPBELL** — I want to explore what you think is an appropriate cap.

**Ms JONES** — No.

**Ms CAMPBELL** — But you told us that we need to do our own homework, so I take your advice on that and I have taken on board your three principles. Given that we are taking an umbrella view, can you tell me what you think the purpose of politics is and how it could be advanced as a result of what you are saying?

**Ms JONES** — First of all, I am sorry I do not have some more specifics for you.

**Ms CAMPBELL** — Please do not apologise; I thought it was good.

**Ms JONES** — I have a lot of faith in looking at models and then adapting the model that best suits us here in Australia, or in whatever jurisdiction we might be working in. To me politics is about certainly representing communities and putting in place good policies that will be for the public benefit. I have worked for a long time, and I actually used to work in the environment movement many years ago, and for the last 12 years I have been working in public health, but particularly in tobacco control because that is the single largest preventable cause of death and disease in Australia and the costs are enormous. Yet we have battled for many years — not so much Victoria; it has been lucky because it has had a health promotion foundation here which has provided funds a bit at arms-length. But nationally we have had a lot of problems with a federal government that, for example, collects \$7 billion a year from smokers in terms of excise duty but spends only \$8 million on education to reduce those smoking rates. That is a huge discrepancy.

**Ms CAMPBELL** — A \$7 billion collection and \$8 billion — —

**Ms JONES** — Only \$8 million on education programs. Yet all of the evidence shows it is extremely cost-effective. That concerns us. But we have unlike — say, people who are working in other forms of cancer, like breast cancer or prostate cancer or whatever — a very big industry out there opposing what we do and lobbying very effectively and giving large political donations on their behalf for what they want. That is why I have decided that there is no point in me just focusing on opposing donations from the tobacco industry, because it is well known that third parties are set up and money is funded through those third parties because of our poor disclosure laws.

**Ms CAMPBELL** — Good; thank you.

**The CHAIR** — No more questions? Thank you very much; that was very helpful.

**Ms JONES** — Thank you.

**Witness withdrew**