

Submission to the Review of the Electoral Funding and Disclosure Reform Act 2018

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https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Electoral_Matters/Operationan dimpact

Doctors for the Environment Australia (DEA) is an independent, self-funded, non-government organisation of medical doctors in all Australian States and Territories. Our members work across all specialties in community, hospital and private practice. We work to prevent and address the diseases - local, national and global - caused by damage to our natural environment. We are a public health voice in the sphere of environmental health with a primary focus on the health harms from pollution and climate change.

Doctors for the Environment welcomes the opportunity to comment on the review of the *Electoral Legislation Amendment (Electoral Funding and Disclosure Reform) Act 2018*. Our views are based on the case that human health is suffering increasing harms from large donations to political parties. We illustrate this as lack of action on climate change, which has been designated the greatest health threat this century

DEA recommendations

1. A donations cap from individuals, companies or other entities limiting donations to a modest amount.
2. Real time disclosure of information about donations to federal political parties – both amounts and donors - as is done for Queensland’s political parties.
3. Information about Federal Minister meetings with lobbyists published in publically available diaries, as is done for State Ministers in NSW and Queensland
4. A list of lobbyists with security passes to federal Parliament House made available to the public.
5. Limited private funding of political parties.
6. A "cooling-off" period of at least five years when MPs and their staff cannot be engaged in private enterprise that raises a conflict of interest or benefit for their past role and connections
7. A well-funded, independent federal integrity commission on political donations to address public complaints as well as criminal matters, with full transparency of results.

Doctors for the Environment has long been calling for action on climate change. In 2019, DEA and numerous major medical organisations in Australia, and many others around the world declared a *Climate Health Emergency*¹ and have called on governments for strong and effective action to reduce emissions. The World Health Organisation has described climate change as the defining issue for public health in the 21st Century and warns that “the severity of impacts of climate change on health are increasingly clear and threatens to undermine the last 50 years of improvements in health.”²

¹ <https://climateemergency-notimeforgames.nationbuilder.com/>

² WHO (2018) *COP 24 special report: health and climate change*. World Health Organisation <https://www.who.int/globalchange/publications/COP24-report-health-climate-change/en/>

Yet despite the overwhelming scientific evidence and expert advice on the need for urgent and immediate emissions reduction and the compelling need to leave fossil fuels reserves in the ground, Australia lags behind most developed countries by continuing to support and promote fossil fuel extractive industries and in failing to set specific targets for emissions reduction. In a 2020 Climate Change Performance Index, of 57 countries, Australia was flagged as the worst performing on climate change policy.³

Over the past two decades, Australia's fossil fuel sector has emerged as one of the largest financial backers of political parties with over \$136 million donated to political parties and lobby groups.⁴ One individual was responsible for the bulk of donations from the resources sector spending \$89 million campaigning during the 2019 federal election.

It is disingenuous to think that public companies or individuals would give such large sums of money with no expectation of return of some tangible value. One US study showed a return in excess of \$220 for every \$1 spent on lobbying, evidence that lobbying expenditures have a positive and significant return on investment.⁵

“Such donations by a sector whose existence depends on the issuing of government permits is highly problematic for public trust in the democratic process... and undermines the role of government to make decisions based on evidence and not influence.”⁶

Money donated can buy access, relationships and political connections. Major donors to political parties are more likely to get a meeting with a senior minister. Political donations can foster a sense of reciprocity not available to other stakeholders. This is unfair, not consistent with our democracy and such practices destroy community faith in government approval processes.

Many mining companies have internal policies that rule out direct political involvement, but some of Australia's largest resources companies donate to lobby groups and peak bodies. BHP, Rio Tinto and Glencore were substantial political donors to the Minerals Council of Australia, Coal21, and the Business Council of Australia. The Minerals Council of Australia has donated more than \$33 million to political parties.⁷

³ Climate Action Network. Climate Change Performance Index 2020 https://newclimate.org/wp-content/uploads/2019/12/CCPI-2020-Results_Web_Version.pdf

⁴ Centre for Public Integrity. Donations Case Study – the resources and energy industry. Jan 2021 <https://publicintegrity.org.au/wp-content/uploads/2021/01/Donations-case-study-resource-and-energy-industry.pdf>

⁵ Measuring Rates of Return for Lobbying Expenditure: and Empirical Case Study of Tax Breaks for Multinational Corporations Journal of Law and Politics, Vol. 25, No. 401, 2009 https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1375082

⁶ The Grattan Institute. Vested interests, money and the democratic deficit. Feb 2020 <https://grattan.edu.au/news/vested-interests-money-and-the-democratic-deficit/>

⁷ Gas companies rank among largest funders of Australian political parties 18 Jan 2021 Renew Economy <https://reneweconomy.com.au/gas-companies-rank-among-largest-funders-of-australian-political-parties/>

The “Revolving Door”

More than one-quarter of federal politicians go on to post-politics jobs in companies and entities where they have established relationships during their political careers. The issue of the revolving door – whereby government officials become lobbyists after departing government, and ex-lobbyists become government officials – requires stronger checks and balances.

Amongst the reasons for prohibiting this kind of behaviour are the risks posed by unfair access and insider information. There is also potential for bias for those making government decisions, in that individuals may in the future be employed by entities the subject of their decision-making.

Conclusion

Public and investor awareness of climate risk is now widespread and with climate impacts accelerating, the imperatives for climate action are clear. The political donation reforms recommended would help restore confidence in the democratic process and that politicians are acting according to the best available scientific and expert advice and in the best interests of the communities they serve.