

Parliament of Tasmania
House of Assembly
Standing Committee on Government Administration B

30 August 2024

Dear Chair,

Inquiry into the Electoral Disclosure and Funding Amendment Bill 2024 (No. 9).

Please find additional information following, as requested at the public hearing on 2 August 2024.

Third party campaigner disclosure

Mr Bayley sought to clarify the effect of Section 43(2) of the Bill. If the intent of section 43(2) is to require third-party campaigners to disclose all political donations above a threshold used to incur electoral expenditure, regardless of when they were given for that purpose, it is unclear to us. We recommend further amendment to clarify the intent of this section.

Mr Bayley also sought to clarify whether section 43(2) adequately addressed the recommendation that disclosure for third party campaigners should be required by reference to when the electoral expenditure is incurred, not when the donation is made, to ensure charities can comply.

While section 43(2) states 'the day on which the gift or gifts were received is taken to be the day on which electoral expenditure in relation to that gift was incurred,' this does not address the difficulty for charities to comply given charities do not receive donations for the purpose of incurring electoral expenditure (or tied donations generally).

Changing the day of receipt to be taken as the day of expenditure does not provide a material change. Determining whether or not a donation may be used for electoral expenditure takes time. The effect of the real time disclosure will discourage community and charity voices for very little public interest benefit.

Dominant purpose test

Ms Haddad asked for the Institute's opinion on whether the substantive legislation adequately addressed concerns about the 'dominant purpose test' (see *Electoral Act 2004*, section 4).

The Institute recommended an amendment to the definition of 'electoral matter' that mirrored Commonwealth legislation to clarify that there can be only one dominant purpose, and that it doesn't include matter created or communicated for the dominant purpose of raising awareness, educating the public or encouraging debate on a policy issue.

The amendment adopted by the Legislative Council takes a broader approach than the Commonwealth legislation. It does provide additional clarity on what is and is not considered



electoral matter. If further amendments to the definition are sought, the definition in relation to third party campaigners should not be broadened. *Regulating charities in Australian elections* provides further details on this issue.¹

Levies on parliamentarians posing a “corruption risk”

Ms Ella Haddad asked about our submission describing levies on parliamentarians as posing the same kind of corruption risk as donations.

Our submission refers to “membership fees or levies, ticket prices[,] other contributions raised through fundraising events” as belonging to a class of political contributions that collectively poses the same kind of corruption risk as donations. It is worth noting that a single membership fee can be larger than all but the very largest political donations² and that even small sums of money can secure exclusive access to politicians.³

It is these kinds of payments we had in mind when describing non-donation political contributions as posing the same corruption risk as political donations.

Among these contributions, levies on parliamentarians seem least likely to pose a corruption risk, for the reasons identified by Ms Haddad; but it is still worth disclosing them, for the reasons Bill Browne gave the committee.

Salmon industry paying no tax in Tasmania

Australia Institute research shows that the salmon industry in Tasmania did not pay company tax in the last three years for which data is available (2019–20, 2020–21, 2021–22), despite record sales of over \$1 billion each year.⁴

Ms Haddad’s claim that salmon companies pay tax probably relates to state payroll tax. While the industry does not disclose its payroll tax payments, because it accounts for around 0.5% of Tasmanian employment, a rough estimate would be 0.5% of payroll tax revenue. The latest budget papers estimate this year’s payroll tax revenue at \$485 million, meaning the salmon industry paid around \$2.4 million.

Given the salmon industry has not paid federal tax for several years and the only state tax payments it appears to make represent less than 0.25% of industry revenue, and 0.03% of the \$8.4 billion state budget, it is unlikely in our view that stating “the salmon industry does

¹ Stronger Charities Alliance & Australian Democracy Network (2024) *Regulating charities in Australian elections*, <https://www.strongercharities.org.au/2024/07/03/report-regulating-charities-mr/>

² Eddie (2023) ‘Platinum member’: How billionaire’s fee to failed political party was spent, <https://www.theage.com.au/politics/victoria/platinum-member-how-billionaire-s-fee-to-failed-political-party-was-spent-20230426-p5d3h1.html>

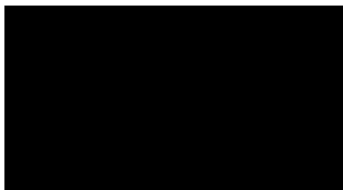
³ Browne & Walters (2023) *Securing transparency and diversity in political finance*, pp. 9–10, <https://australiainstitute.org.au/report/securing-transparency-and-diversity-in-political-finance/>

⁴ Campbell (2023) *The Tasmanian salmon industry’s talk about boosting the economy does not include paying tax*, <https://australiainstitute.org.au/post/the-tasmanian-salmon-industrys-talk-about-boosting-the-economy-does-not-include-paying-tax/>

not pay tax” would be considered misleading under existing truth in political advertising arrangements.

Thank you for the opportunity to provide additional information for the Committee’s consideration.

Yours sincerely,



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