

Australia: New laws to disenfranchise voters and boost corporate donations

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Just days after the release of electoral data showing record levels of donations by companies and rich individuals to the main political parties, the Howard government is proceeding with legislation to help keep such donations secret, while making it more difficult for ordinary people to exercise their right to vote. Both developments highlight the increasingly debased character of Australian parliamentary politics.

Australian Electoral Commission statistics revealed that in the lead up to the last federal election in 2004, the ruling Liberal-National Party Coalition and the opposition Labor Party were heavily reliant on huge sums from wealthy donors. Topping the list was the first million dollar donation, handed to Prime Minister John Howard's Liberal Party by Lord Michael Ashcroft, a British billionaire businessman who specialises in setting up off-shore tax havens.

Altogether, the officially-recorded donations for 2004-05 showed that \$48.6 million flowed into Liberal Party coffers, just slightly more than the \$48.1 million that found its way into Labor's. The vast majority of these funds—an estimated 85 percent—came from donations of more than \$10,000, underscoring the dependence of both parties on corporate sources, rather than on the relatively small donations from party members and ordinary voters.

This trend will be accelerated by one of the first pieces of legislation scheduled to be pushed through parliament this year. Cynically labelled the Electoral Integrity and Other Measures Bill, it was introduced into the House of Representatives on the last sitting day before Christmas, 2005. It contains a range of measures that are designed to boost corporate funding while disenfranchising whole layers of the population, particularly the young, the poor, the itinerant and the newly-arrived.

The Bill will raise the disclosure threshold for corporate political donations from \$1,500 to more than \$10,000 (the new threshold will be adjusted upwards annually in line with the cost of living index). In effect, it permits corporations to give a total of up to \$90,000 a year to the federal and eight state branches of a party without public disclosure. At the same time, it rewards wealthy individual donors by increasing the tax deductibility level from \$100 to \$1,500 per year for political donations.

The Bill also removes the requirement for media groups—publishers and broadcasters—to file returns on their revenue from political advertising during election periods, thus pulling a veil of secrecy over multi-million dollar ad campaigns. By contrast, the Bill targets donations and political campaigns by non-business groups—trade unions and interest groups, such as environmental organisations—by requiring “third parties” and an extended category of party “associated entities” to submit annual political funding returns.

The Bill contains three direct attacks on the right to vote:

(1) The electoral rolls will be closed on the same day that an election is called, immediately disenfranchising all voters—officially estimated to be nearly half a million—who have changed address since the previous election or failed to enrol correctly. Those most likely to be affected are young voters who turned 18 after the previous election, and people who have moved house—often those living in rental accommodation or employed in insecure or casual jobs.

The only partial exceptions to the enrolment freeze will be 17-year-olds who will turn 18 before the election date and immigrants who are due to be sworn in as citizens before the election. They will be given just three days—half the present seven-day period of grace—to enrol.

In a little publicised address to the Sydney Institute, a right-wing think tank, last October, Special Minister of State Eric Abetz insisted that the change was “not designed to disenfranchise anybody”. But he revealed that prior to the last election, 423,993 changes to enrolment were processed during the seven-day grace period.

(2) In order to enrol, and also to vote at each election, voters will have to show a driver's licence, passport or some other form of photo-ID. Alternatively, they will need statements from two enrolled referees. Again, these rules, concocted without any evidence of electoral fraud, will be most likely to strip low-income people of their voting rights—especially those who cannot afford to drive cars or travel overseas.

(3) All prisoners will be denied the right to vote, extending the current ban that applies to prisoners serving sentences of more than three years. As prison statistics demonstrate, inmates are predominantly drawn from the most disadvantaged layers of society—the unemployed, poorly-educated, mentally-ill, immigrant and indigenous.

The government is exploiting the fact that the Australian Constitution provides no legal impediment to denying citizens their basic democratic right to vote. In September 2004, in a case involving the de-registration of a political party, the High Court Chief Justice Murray Gleeson and several other judges deliberately cast doubt on whether the Constitution guaranteed universal suffrage.

The Bill also makes it more difficult for working people to stand for election or form new political parties. It increases election candidates' deposits to \$500 for the House of Representatives and \$1,000 for the Senate, and automatically de-registers any political party that fails to win a parliamentary seat. In order to re-register and contest elections in their own names, parties will have to re-submit lists of the names and addresses of 500 members.

As revealed by the orchestrated police and media operation against Pauline Hanson and David Ettridge, co-founders of the extreme right-wing One Nation party, that culminated in their jailing in 2003, even

the most technical breaches of these provisions can be used to discredit and shut down minor parties and railroad their leaders to prison. The subsequent acquittal of Hanson and Ettridge on appeal confirmed that they had been unlawfully imprisoned after a high-level political witchhunt.

It is now more than 20 years since the Hawke Labor government introduced the party registration regime in 1984 as part of a scheme of state funding of the major political parties. State subsidies were introduced in order to bolster the already declining finances of these parties, while making them financially dependent on the state. These subsidies also provided the authorities with immense powers to pry into the membership and financial affairs of new parties.

At the time, one of the official justifications for the scheme was that it would reduce the reliance of parties on wealthy donors, and establish transparent procedures for public scrutiny of large donations. The latest electoral funding statistics further demolish these myths. The major parties received generous handouts—the federal Liberals received \$17.9 million in public funding (almost \$1.80 per vote in the 2004 election), about a million dollars more than Labor, which picked up \$16.8 million. But these amounts were dwarfed by the business patronage.

The official returns show that the two parties have become little more than corporate vehicles, denuded of membership and beholden to the most grasping and parasitic elements within the ruling elite. Among the most prominent business contributors were merchant banks (which have directly benefited from the wholesale privatisation of public services), gambling proprietors, property developers, construction companies, military contractors, pharmaceutical giants, private health and child care operators, tobacco companies, timber millers and media owners.

The level of influence buying in Australia does not yet rival that in the United States, where the Democratic and Republican parties raised and spent more than \$1 billion in the 2004 presidential election, or even Britain, where a handful of billionaires bankroll both the Conservatives and Labour. Nevertheless, the Liberals and Labor in Australia are ever more beholden to the financial elite.

Macquarie Bank gave \$256,000 in various donations to both parties, followed by the ANZ Bank, which contributed \$100,000 to the Liberals and \$50,000 to Labor. Other financial institutions pumped funds into the Liberals—Goldman Sachs JB Were (\$147,000), Merrill Lynch (\$75,000), Deutsche Bank Australia (\$50,000) and Credit Suisse First Boston (\$25,000).

Apart from Lord Ashcroft, other top Liberal Party funders included tobacco companies (\$300,000), Village Roadshow, a cinema and radio company (\$250,000), the Gerard Corporation, the company owned by former Reserve Bank board member Rob Gerard (\$205,000), Ramsay Health Care (\$200,000), cardboard manufacturer Richard Pratt (\$200,000), Inghams Enterprises (\$200,000), Croissy, owned by Westfield retail mall tycoon Frank Lowy (\$175,000) and defence contractor Tenix (\$117,000).

Gunns, a Tasmanian timber company that gained substantially from the Howard government's decision not to outlaw old-growth forest logging and instead to subsidise a new mill, donated \$70,000 to the Liberals. ABC Learning, which has become the largest private childcare company with the help of tax rebates introduced by the government, gave \$50,000 to the Nationals.

Many of the sources of the Liberal-National Coalition's cash were camouflaged by directing donations through fundraising arms such as the Cormack Foundation (\$1.9 million), the Free Enterprise

Foundation (\$600,000), The 500 Club (\$393,000) and CS & Co Legal Services (\$100,000).

Labor's funding lists featured gambling interests such as casinos, lotteries and poker machine-financed clubs and hotels, which gave almost \$1 million. Construction firms and property developers, including the Grocon building company, Prime Projects (\$100,000), Leighton Holdings (\$50,000) and Baulderstone Hornibrook (\$30,000), also contributed. That is because the state governments, which Labor currently controls throughout the country, are responsible for planning and gambling licensing decisions worth billions of dollars.

Significantly, many Liberal donors also gave to Labor, including Village Roadshow (\$270,000), Westfield (\$175,000), Tenix \$125,000, Pratt (\$100,000) and Inghams (\$100,000). Halliburton subsidiary Kellogg, Brown and Root donated \$27,000 to Labor and \$17,000 to the Liberals. Even though Labor has not been in office at the federal level for a decade, business leaders regard it as a crucial element in the current setup.

The official returns, which cover only federally-related activity, provide only a partial picture of the business contributions that occur at all levels, national, state and local. Other donations are disguised as "other receipts". Some prevalent political fundraising techniques fall outside the disclosure laws, including \$10,000-a-plate dinners with prime ministers or premiers.

Neither the statistics nor the new electoral laws have received any serious coverage, let alone critical comment, in the mainstream media. One immediate reason may be that media interests were on the contributors' lists. Among them were Rupert Murdoch's mother, Dame Elisabeth Murdoch, who donated \$25,000 to the Liberals, Network Ten, which gave \$75,000 to both Liberal and Labor, members of the Fairfax family, who gave to the Liberals, and the late Kerry Packer's Publishing and Broadcasting, which sent \$45,000 to the Liberals.

More fundamentally, the media response speaks volumes about the decay of the political system. One of the most fundamental democratic rights—to vote—is being eroded without any opposition in the media and political establishment. Corporate funding of the main parties is now regarded as a political fact of life, just as the underlying enrichment of a tiny wealthy elite goes without mention. More and more openly, what passes for democracy has become plutocracy—government for the rich and by the rich.



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