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Revd the Hon Fred Nile MLC
Chairman
Select Committee on Electoral and Political Party Funding
Parliament of New South Wales
Macquarie Street
Sydney NSW 2000

Inquiry into Electoral and Political Party Funding

Thank you for providing me with the opportunity to appear before the Committee on 4 April, 2008.

During that hearing I gave an undertaking to provide further information to the Committee, including my response to the Premier's submission. My additional information on these issues follow, with my response to Premier's submission in the attached document.

Cap on campaign expenditure

I share community concern about the increasing amount of money being spent on election campaigns, particularly by the major parties. The growth in campaign expenditure is a major reason parties rely on large donations.

This growth in expenditure also makes it more difficult for candidates and parties without access to the same level of funds to compete.

While overall limits on campaign expenditure are superficially attractive, there are significant problems in establishing and monitoring an equitable overall cap. A limit would need to be realistic and recognise varying campaign costs due to where a campaign is conducted. It would also need to ensure that independent candidates are not disadvantaged through the lack of support from a wider Party campaign.

I note that, in his submission, Professor Tham suggests that campaign expenditures should be capped at the present level. There will be difficulties in determining matters such as:

- actual current levels of expenditure for individual candidates, given Party centralisation of funding and campaign materials;
- the appropriateness of maintaining current expenditure levels as a cap in future, given community concern at existing campaign funding; and
- what level of indexation should be considered over time.

I support the more practical approach of limiting donations to those from individuals (not corporations) and to placing a cap on the size of individual donations to a level of no more than \$5,000. This would reduce candidates' and parties' reliance on large donations and would limit overall campaign expenditure.

Professor Tham's suggestion for a Party Support Fund

In his submission, Professor Tham suggests replacing the Central Fund (which provides funding to party campaigns), the Constituency Fund (which provides campaign funding to individual candidates in each Legislative Assembly electorate) and the Political Education Fund (which provides funding to parties between elections) with a single Political Support Fund.

It is unclear from Professor Tham's submission whether individual candidates would continue to receive funding under this proposal. Instead the proposal appears to increase the level of funding which political parties would receive.

In my previous written and oral submissions, I identified significant concerns that the Political Education Fund is not an appropriate mechanism for objective community civics education. In practice, it provides financial support to political parties that is not available to independents and is not managed in a transparent and accountable manner.

I cannot support any proposal that would retain the Political Education Fund in another form, or a proposal which would end funding for individual candidates. Such a proposal would further tip the balance in favour of political parties and further disadvantage independents.

Harris Street Campaign Office

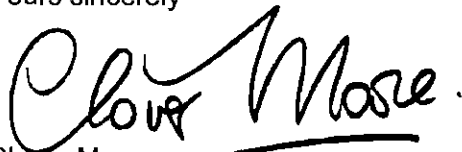
The use of the Harris Street Campaign Office was arranged by Mr Barry Goldman of Portfolio Realty, who at the time was also President of the Pymont Ultimo Chamber of Commerce. The Hon. Amanda Fazio was incorrect in describing Mr Goldman's wife as my campaign manager. Mrs Goldman, together with other volunteers, including Dr Norman Thompson, helped in managing the office during the election campaign.

Mr and Mrs Goldman were both Pymont residents who were actively involved in their local community. Like many of my volunteers, they supported my campaign because they were disgusted with the Labor Government's sacking and forced amalgamation of the former City of Sydney and South Sydney City Councils and they were concerned about the future of their City.

My understanding is that Portfolio Realty was involved in the management and sale of properties, not property development.

The declared value of the Independent Team's campaign office is based on advice received at the time. The office operated for four weeks. The property is a terrace house and the building was due for auction and not available for normal leasing. Incomplete building work on the upper level restricted use to the ground level and basement.

Yours sincerely


Clover Moore
Member for Sydney