

**Submission
No 177**

INQUIRY INTO ELECTORAL AND POLITICAL PARTY FUNDING

Organisation: Wyong Shire Council
Name: Mr Craig Bennett
Position: Manager, Corporate and Administration Services
Date received: 7/03/2008



**WYONG SHIRE
COUNCIL**
building a better tomorrow!



CENTRAL
COAST

Reference F2004/06402

3 March 2008

The Director
Select Committee on Electoral and Political Party Funding
Legislative Council
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Sir / Madam

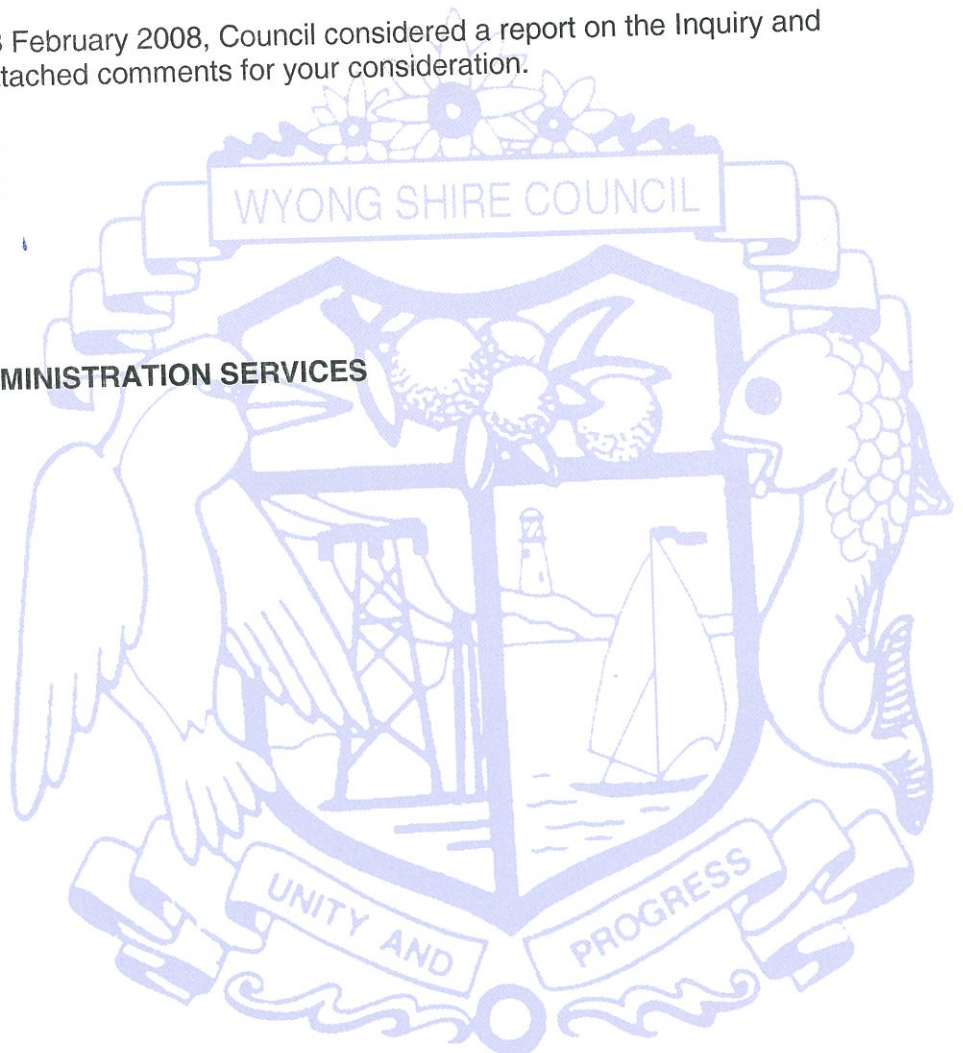
Inquiry into Electoral and Political Party Funding

At its meeting held on 13 February 2008, Council considered a report on the Inquiry and resolved to submit the attached comments for your consideration.

Yours faithfully


Craig Bennett
Manager

CORPORATE AND ADMINISTRATION SERVICES



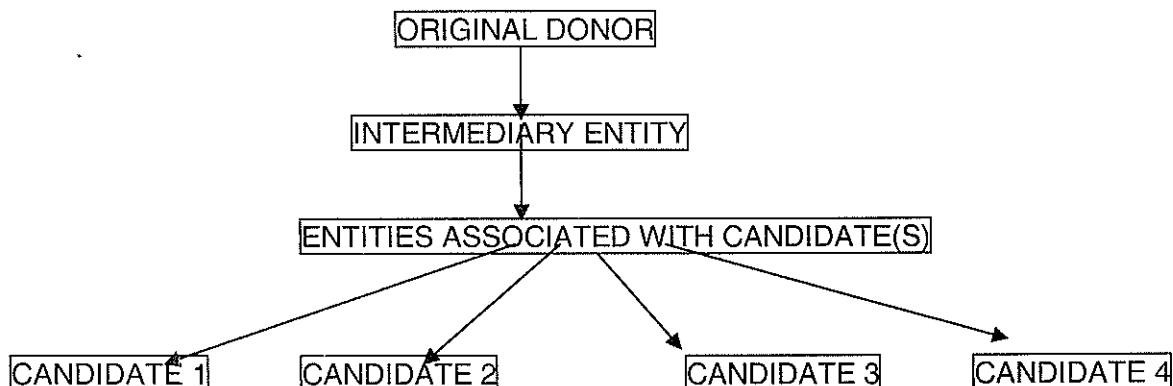
SUBMISSION BY WYONG SHIRE COUNCIL

Over recent years across Australia there have been numerous investigations into undisclosed political donations designed to gain favour in the decision making process - Gold Coast, Tweed, Greater Geelong and Busselton to name just a few. In each case the reputations of the councils has been significantly damaged regardless of the outcome of the investigation. The reputation of local government as a whole has also been adversely impacted.

Even the perception of corruption can be damaging and the State Government needs to ensure that appropriate safeguards exist in the local government governance framework to protect it and the community from these activities. Prevention is much better than the curing the problem after the event!

Council considers that there is a crucial need to strengthen election funding legislation for local government to prevent the channelling of election funding through intermediary entities. This activity effectively allows the recipient councillors to continue in the decision making process on matters concerning the original donor without declaring a conflict of interest. The consequences of not eliminating this process will be a continuation of the undermining of the democratic process and the casting of doubt on the integrity of all elected local government representatives.

A diagrammatic representation of this is as follows:



Even if some of the candidates do not have full knowledge of the original source of the funding the perception still exists through their association in the process that they could be aware of the original source. This is particularly the case at a local government level where there is a higher opportunity for interaction between people.

This activity could be addressed by:

- Strengthening the Election Funding Act to:
 - Require such intermediary entities to publicly disclose the source of any election funding from other persons or entities including developers or suppliers
 - Require such intermediary entities to disclose how they have distributed any election funding donations to candidates or entities associated with those candidates
 - Require all persons or entities making election funding or other political donations to declare such donations to the Electoral Commissioner

- Strengthen the powers of the Electoral Commissioner to a level at least equivalent to those of the Independent Commission Against Corruption (ICAC) to enable appropriate investigation of any entity or person reasonably suspected of participating in election funding corruption.
- Require all persons or entities making election funding or other political donations to declare such donations to the Electoral Commissioner
- Strengthen the powers of the Electoral Commissioner to a level at least equivalent to those of the Independent Commission Against Corruption (ICAC) to enable appropriate investigation of any entity or person reasonably suspected of participating in election funding corruption.
- The State Government strengthening the level of resources available to the Electoral Commissioner to allow investigations to be conducted to a level equivalent to those conducted by the ICAC.
- The Department of Local Government and state Electoral Office undertaking an education program directed at potential providers of election funding to clearly advise them of their obligations of disclosure election funding or other political donations.
- The Department of Local Government amending the model Code of Conduct to require councillors to ensure that they take all reasonable steps to ensure that they are aware of the original source of election funding and other political donations so as to enable them to appropriately comply with their obligations to declare any conflicts of interest in the decision making process.