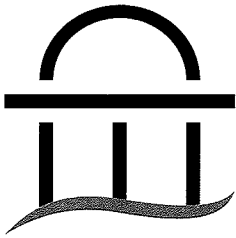


**Submission  
No 162**

## **INQUIRY INTO ELECTORAL AND POLITICAL PARTY FUNDING**

**Organisation:** Property Council of NSW  
**Name:** Mr Ken Morrison  
**Position:** Executive Director  
**Telephone:** 02 9033 1900  
**Date received:** 29/02/2008

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19 February 2008

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

### **Electoral and Political Party Funding Inquiry**

The Property Council of Australia is the national representative of the property industry. Our members help shape, build and finance our cities and have long term interest in the health and vitality of our urban environments. Our members include the bulk of the state's investors and owners of office buildings, shopping centres, industrial parks, tourism accommodation and infrastructure, and major developers of residential and non-residential property.

Over the last year the Parliamentary Greens have run a political campaign alleging wide-scale corruption in the planning system, particularly in decisions made by the State Government on major projects. Their explicit and implicit allegation is that political donations are being used to virtually buy planning consents. This type of political hyperbole seriously misinforms the public on how our planning system operates and masks the real need to examine legitimate measures to corruption-proof government decision making.

The Property Council strongly supports the need for transparency and accountability in government decision making processes at all levels. We have been a particular champion of this when it comes to the development assessment system, and this is discussed further below.

The Inquiry discussion paper effectively canvasses the options for ensuring that political donations do not influence and are not perceived to influence government decision making.

The Property Council believes that the most effective mechanisms to ensure legitimacy of our government processes in relation to political donations are:

- the full, timely and transparent reporting of political donations, and
- the adoption of decision making processes which are transparent and based on established legal or policy principles and principles of good public administration.

The Parliamentary Greens have proposed the banning of donations from companies involved in development activities. While the Property Council has no reason to oppose this, we note that in practice this option would be impossible to satisfactorily administer and those with a desire to do so would easily be able to circumvent any rules put in place.

# The Voice of Leadership

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of Australia

A more effective – but very expensive – approach would be the adoption of full public funding of election campaigns. The Property Council would be happy to support this option, however we note that the public may well not support public money being used in this way.

The Property Council believes a more effective focus for the Inquiry is the task of improving the transparency and accountability of decision making processes.

We have long argued for the introduction of a separation of powers in the planning system at state and local levels. Currently at the local level, councillors both set the planning rules and policies, and then also make decisions on development applications (where the decision has not been delegated to staff). This leaves councillors with conflicting roles: to make a decision on the planning merits of a proposal under the Environmental Planning and Assessment Act; and to be the community representative under the Local Government Act.

The Property Council has championed the introduction of independent expert panels to be the consent authority where the decision is not delegated to staff. I have attached our submission to the Government's Planning Reform Discussion Paper which goes into this in more detail (see section 4).

The Government has made two reform proposals addressing this issue in its Planning Reform Discussion Paper:

- the creation of a Planning Assessment Commission to be the determinative authority for all development applications (except critical infrastructure) lodged with the State Government under Part 3A of the Environmental Planning and Assessment Act. This would replace the existing practice whereby the Minister determined these projects. Members of the PAC would be appointed by the Minister for a set term.
- The creation of Joint Regional Planning Panels to be the determinative authority for private sector development applications of regional significance (defined as anything over \$50 million in the Government's discussion paper, however we have submitted that a more appropriate level is \$10 million). These panels would replace the current practice of the elected councillors determined these projects. It is proposed that these would be five member panels, three appointed by the state and two appointed by the council in which the application was lodged.

The arrangements proposed in the Government's discussion paper would (for state and regionally significant projects) eliminate the politicisation of development assessment decisions, remove the perception or reality that political donations would influence such decisions, and would help corruption-proof the development assessment system.

We encourage the Inquiry to support these proposals.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Ken Morrison', with a long horizontal flourish extending to the right.

Ken Morrison  
**NSW Executive Director**