

**Submission
No 80**

INQUIRY INTO ELECTORAL AND POLITICAL PARTY FUNDING

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SUMMARY OF THE EUROBODALLA GREENS SUBMISSION TO THE NSW PARLIAMENTARY INQUIRY ELECTORAL AND POLITICAL PARTY FUNDING

The Eurobodalla Greens feel that party political donations, particularly those of the Property Development industry are having an undue influence on State Government decisions to the detriment of both the public good, the body politic and environmental values.

We think that the disclosure laws lack transparency and need to be tightened. We suggest that during the year leading up to an election, disclosure of donations over \$1500 should be made quarterly so that the public are aware of the sources and extent of the money flow.

Party returns should be more detailed and provide names of company principals, business type and the address of physical business premises.

If donations are received from the Property Development Industry then we urge the Inquiry to recommend that all persons and companies submitting development applications to councils of the Minister of Planning declare all political donations made.

We believe that the use of taxpayer funded party political advertising in the lead up to elections is being exploited. We suggest the appointment of an independent committee to scrutinize all government advertising campaigns to restore public confidence in the political process and stop wasting taxpayer's money. The committee should oversee all government advertising and ensure that it is for important and genuine public education purposes only.

Finally, we would like the Inquiry to urge the new Federal Government to convene a national summit to explore all issues of electoral funding, including a system of public funding that will set caps on election spending, banning all political donation except those from individuals, capping donations from individuals to \$10,000 per annum unless that person is a member of a political party. We would also like to see a ban placed on donations from individuals who are not permanent residents or citizens of Australia.

SUBMISSION TO THE
NSW PARLIAMENTARY INQUIRY
ELECTORAL AND POLITICAL PARTY FUNDING

By the

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The Eurobodalla Greens appreciate this opportunity to make a submission to the NSW Parliamentary Inquiry on Electoral and Political Party Funding. As a local Greens group we view the issue of corporate donations to political parties as a grave threat to the democratic process in this state and it is for this reason that the NSW Greens do not accept corporate donations of any sort.

The Purpose of Political Donations

While the various political parties would claim to be representative of the electorate as a whole, it can still be argued that they each broadly represent various sections of the community in our purportedly pluralist democracy i.e. Liberals – business and development, Nationals- agricultural sector, Labor – unions, low income individuals and the Greens – environment and social change movements. Many individuals and companies donate to the political party that they believe will act in their best interests. Whilst this is understandable, the greater financial capacity of some donors results in their ability to gain personal access to politicians thus affording them many more opportunities to influence decision making. The vast sums donated to the major political parties show just what a high stakes game this is. According to the Democracy4sale website party political donations for the period 1998 – 2006 were as follows:

NSW Liberals	\$39,170,053
NSW Nationals	\$ 9,647,165
NSW Labor	\$52,005,487
NSW Greens	\$ 815,231

Why should corporations donate such large amounts to political parties? Brendan Crotty, Managing Director of Australand was reported in The Australian (23 April 2003) as describing the company's political donations as '*part and parcel of doing business*'. In NSW, the State Labor Government has been the beneficiary of \$4,768,225 in political donations from the property development industry during the three years 2003-2006 (Democracy4sale website). In the same period the government has made major legislative changes to planning laws to fast track development applications and has designed Regional Strategies and a Biodiversity Banking and Offset Scheme that will facilitate even more commercial and residential

development at the expense of the environment. For the property development industry this appears indeed, money well spent.

The Existing System

1. Lack of Transparency

There are many areas in which the current disclosure laws are lacking. Whilst in NSW an individual, company or organization is obliged to declare money or gifts in kind of \$1,500 or more a year, this only happens every four years after a state election. The Eurobodalla Greens suggest this requirement be tightened so that political contributions and money from fundraising events are disclosed every year for the first three years after a state election, and that during the year leading up to an election, disclosure of donations over \$1500 should be made quarterly so that the public are aware of the sources and extent of the money flow prior to the election being held. This information should then be recorded promptly on a public website maintained by the Election Funding Authority.

2. Party Returns

At present, political parties are only required to provide the company name, address and amount of money on their returns. In many cases only a post office box or accountants address is quoted and thus makes it hard to identify the actual donor. The Eurobodalla Greens would like to see more rigorous reporting of donors on party returns. We suggest that a party be required to provide in addition, details of the names of company principals, business type and address of physical business premises. We would also like to see more detail specifying if the donation is to a candidate, local party branch, state or federal office.

3. Local Government

Currently in local government elections, voters are not provided with information on who is funding the candidates prior to an election, and no public funding is available for local council elections. Contributions to political parties over \$1500 and contributions over \$200 to individual candidates standing for council should be publicly disclosed before the election is held and immediately posted on the web sites of the NSW Election Funding Authority and the relevant local council. Public funding for local government elections should be introduced but only parties and candidates who do not accept corporate, union or lobby group donations should be entitled to such funding.

4. The Property Development Industry

With respect to the example quoted on page 1, we feel their needs to be special provisions made under the existing disclosure laws relating to political donations by the Property Development Industry. We strongly urge the Inquiry to recommend a change to the election Funding Act 1981 to require persons and companies submitting development applications to councils or the Minister for Planning to declare all

political donations made to councillors, their campaigns, their parties or to the Minister or his/her party or campaigns.

5. Taxpayer funded party political advertising

The Eurobodalla Greens also notes with concern the increasing use of taxpayer funded party political advertising in the lead up to elections. The previous Howard Government was particularly profligate in this area running many so called 'information campaigns' to promote/defend Coalition policy. The NSW State Government is currently running advertisements promoting the benefits of proposed electricity privatisation knowing full well the unpopularity of this policy in the electorate. This practise should cease immediately. In line with the call by the NSW Auditor-General's Report on Government Advertising (tabled 29 August 2007) "*for more public information on what is spent on government advertising, and for more rigorous guidelines to help prevent government advertising being used for party political purposes*", we suggest the appointment of an independent committee to scrutinize all government-advertising campaigns to restore public confidence in the political process and stop wasting taxpayers' money. The committee should oversee all government advertising and ensure that it is for important and genuine public education purposes only.

Changes to Federal Electoral Laws

Of course problems with electoral and political party funding are not confined to NSW. It was pleasing to read that the newly elected Federal Labor Government has flagged changes to the minimum reportable limits of political donations from \$10,000 back down to \$1,500 and scrapping of the early closure of electoral rolls. But there is still much to be done. The Eurobodalla Greens would like to see this Inquiry recommend that the Federal Government convene a national summit to explore all issues of electoral funding, including a system of public funding that will set caps on election spending, **banning all political donations** except those from individuals, capping donations from individuals to \$10,000 per annum unless that person is a member of a political party. We would also like to see a ban placed on donations from individuals who are not permanent residents or citizens of Australia.

Conclusion

The Eurobodalla Greens believes that the current electoral and political party funding arrangements are in urgent need of a major overhaul. The public perception currently is that we have the 'best democracy money can buy'. This leads to a distortion in the decision-making process whereby sectional interests override the public good. It is leading to alienation and disenfranchisement of individuals (both actual and perceived), and thereby threatening the social contract that our democracy relies upon.