

**Submission  
No 124**

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

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Labor delivers for big donors

### **Alexandra Smith and Andrew Clennell**

SOME of the business world's biggest winners from NSW Government decisions have emerged as the Labor Party's most generous donors.

The revelation has prompted accusations the Government can be bought by the highest bidder.

In one glaring example, the NSW Labor Party received \$213,000 from the ethanol company Manildra, at the same time as the Government mandated that 2 per cent of the petrol sold in NSW must contain ethanol.

The engineering company Downer EDI, which holds a controversial \$3.6 billion railway carriage contract, gave \$70,000.

Property developers pumped more than \$2 million into Labor Party coffers before the state election in March - twice as much as last year - at a time when the Planning Minister, Frank Sartor, has been criticised for changing planning rules to the benefit of developers.

The hotel industry - which won concessions on allowing Keno into pubs and outdoor smoking areas - gave \$610,000, and a fund-raiser involving members of the Australian Hotels Association last February raised \$492,000 for Labor.

Another big donor was Star City Casino, which recently won an extension of its exclusivity licence, allowing it to remain the state's only casino. It gave \$100,000.

Clubs NSW, which brokered a deal with the Government last year on poker machine tax, donated \$86,500.

Before the Government's planned sale of the electricity industry, Origin Energy donated \$75,000 and ERM Power \$33,000.

The donation figures were revealed yesterday when the Australian Electoral Commission released the 2006-07 electoral returns. They show NSW Labor received \$22 million in income last year, compared with \$16 million for the Coalition.

The president of the Local Government Association, Genia McCaffery, said donations corrupted the political process.

"How can the community have any confidence that the Government is making decisions based on merit when you have property developers buying up the Government?" Cr McCaffery said. "If I, as Mayor of North Sydney, accepted a donation from a developer and then sat in a council meeting and voted for the development, I would be rightly called up before the Independent Commission Against Corruption, but the Government does it all the time."







Michael Duffy's article illustrates only too well the need for local councils to retain control of development in their areas. A government working in an ivory tower will neither know nor care about preserving urban bush or wetlands, or beautiful suburbs.

A council, on the other hand, has responsibility for these assets and is more amenable to residents' wishes. Ideally, the Government's function should be to see that infrastructure keeps pace with development and to plan for population growth in key towns of NSW, rather than taking the easy way out and destroying everything that makes Sydney a city worth living in.

Jeannette Tsoulos, West Pymble

Thank you, Michael Duffy. At last we are getting some common sense. With limited water and sewerage facilities, lack of power generation to follow and congested roads, we are killing this wonderful city.

H.D. Bennett, Pymble