# INQUIRY INTO ELECTORAL AND POLITICAL PARTY FUNDING

Organisation:

Name: Mr Hugh Knox

Telephone:

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Dear Miss Simpson

I have the honour to submit below my comment to the Inquiry into Political Party Funding.

Yours sincerely

**Hugh Knox** 

Commercial donations of any size to major political parties must be made illegal. Donations by private individuals must be accompanied by a declaration stating that the individual has no commercial interest in any legislation or policy, existing or proposed.

As examples only, donations from developers mean an absence of proper urban planning except for a plan to make rich developers even richer. Scientific planning and community consensus are ignored. Donations from the alcohol industry mean that every hotel in New South Wales is full of poker machines, all with an ATM near at hand -- a disaster for problem gamblers and problem drinkers. The only people to benefit from commercial donations to major political parties are the donors (and the politicians).

Other serious concerns, like election funding, are not specially covered here.

Many articles in the press and letters, written by community leaders, investigative journalists and others have protested against the injustice of the practice. Commercial donations to both major political parties mean that no matter what party is in power, the government does what it's told and the opposition doesn't oppose. Democracy dies.

It is therefore a matter for the gravest concern to contemplate the integrity of our politicians. So many widespread protests for so many years mean that the government and opposition have obviously been staring hostility in the face again and again, and yet up until now they took no action.

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HAMLET There's ne'er a villain dwelling in all Denmark / But he's an arrant knave. HORATIO There needs no ghost, my lord, come from the grave / To tell us this.

The following examples of protests are typical samples only, selected at random.

TYPICAL ARTICLE

http://www.smh.com.au/text/articles/2008/02/01/1201801034860.html

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."

The Opposition Leader, Barry O'Farrell, who last week proposed donations reform, said that for the past decade the Government had increasingly been influenced by donors.

The Greens MP Sylvia Hale said the Government's overhaul of the planning laws was designed to benefit developers, and developers did "not make political donations out of altruism". "They will be looking for a return on their investment," she said.

Among big developers, Walker Corporation and Harry Triguboff's Meriton Apartments each donated \$100,000. Westfield gave \$75,000. There were some generous first-time donors, such as Hunter Land, which gave \$111,000. Jacfin, a big landowner in Erskine Park, donated \$200,000.

Johnson Property Group and related companies - which are behind plans for a satellite suburb at Pitt Town and a \$200 million marina on Lake Macquarie - donated \$184,000.

Developers also gave more than \$900,000 to the NSW Liberals.

There are signs big business and lobby groups are unhappy with the perception they must donate to parties to win advantage.

The NSW Urban Taskforce, a developer lobby group closely aligned to the Government, yesterday renewed its calls for a blanket ban on political donations, despite companies associated with three of its executive board members being among the most generous donors, including Rosecorp. Rosecorp, which is involved in controversial projects such as Breakfast Point and Catherine Hill Bay, gave \$110,000.

Glenn Byres, a spokesman for the Premier, said: "Ministers do not base their decisions on who donates to the party."

One company that gave no money to Labor was ERG, which last month was stripped of its contract to deliver a cashless ticketing system for Sydney known as Tcard.

### PRESS RELEASE

Subject: Political donations

20/5/2004

A matter for shareholders

The board of the Australian Shareholders' Association (ASA) has adopted a policy statement opposing political donations by companies. The policy goes on to say that where such donations have been made, there should be discussion of them at the next AGM.

'Decisions about contributions to political entities are the prerogative of shareholders, not directors,' said ASA chairman, John Curry.

The policy was adopted after lengthy consultations with ASA members. Support for it was widespread, though there was also a strongly expressed minority view that companies should be allowed the freedom to counter the contributions by trade unions to political entities. However, it was noted that the independence of the democratic process has been strengthened by the introduction of the system of government funding of political parties.

ASA believes that it is legitimate for companies to express their views to government and opposition groups, but donations for political purposes taint the democratic process by creating an expectation of favours in return. 'Whether the expectation is real or simply perceived, it is not in the interest of democracy,' said Mr Curry, 'and companies that make political donations must fully consult with their shareholders.'

### TYPICAL LETTERS

[This letter says that commercial donations to major political parties on both sides are nothing but bribes.]

http://www.smh.com.au/text/articles/2007/09/24/1190486221305.html

### FIRST WORD

The liquor industry is truly ugly and politicians are its puppets

Across a broad range of issues, the alcohol industry is winning and good public policy is losing. It's time to put the spotlight on a truly ugly industry and its cosy relationship with both political parties. At the core of our democracy is a culture of "legalised" bribery that needs to be confronted.

Welfare groups, public health advocates and local communities are losing every political battle connected with alcohol. Anti-smoking legislation was undermined to allow smoking to continue inside bars in pseudo "outdoor areas". Clover Moore's smaller bar proposal was immediately torpedoed. Gambling and poker machines are entrenched in pubs and clubs. The alcohol industry is still permitted to market and glorify alcohol by associating it with sporting prowess, happiness and sexual success. Aggressive marketing continues of products like "alcopops" which are clearly targeted at adolescent binge drinkers. Residents in country towns and suburbs are appalled by the granting of 24-hour trading licences.

These issues may seem unrelated, but they are not. They are just symptoms of a more fundamental problem that festers at the core of our democracy. The truth is our politicians have become puppets of the alcohol industry. The alcohol industry is the second biggest donor group after the development lobby. It buys the policies of governments and just as importantly, it buys the silence of the Opposition. These donations are bribes, to think anything else is naive.

Whilst an unrelenting fear campaign is waged against the so-called illegal drugs, the alcohol industry is allowed to unrelentingly promote its drug. Yet their drug causes massively more death, violence and suffering than all illegal drugs combined.

The double standards are breathtaking. Nobody thinks alcohol should be banned or wants to go back to the 6 o'clock swill. Alcohol is here to stay. What the critics of the alcohol industry simply want is a more balanced policy framework that gives the greatest benefit to the community.

Yet rather than focusing on a variety of isolated alcohol issues or mopping up the damage, it's time we all turned our attention to the central cause of this madness. Bribery. The overwhelming priority should be to release the stranglehold the alcohol industry has on our political parties.

The alcohol industry should be seen for what it is. They are drug pushers. They are pushing a drug that causes appalling damage in our communities. And they have systematically bribed our politicians. The time has come to seriously confront this cancer in our democracy. I suggest you phone your MP today and tell them if they do not immediately bring forth a private member's bill into Parliament to ban political donations from the alcohol industry, then you will conclude they are part of the problem and vote accordingly.

## **Brad Pedersen** Manly

President of Democracy Watch - Australians for Political Funding Reforms

[The following letters are typical responses to just one of many articles, letters, etc, in newspapers exposing the practice of commercial donations to political parties.]

http://www.smh.com.au/text/articles/2006/04/02/1143916407046.html

City is too crowded, and there's no room for criticism

Bravo, Michael Duffy, for your story "To save the city, first they destroy it" (April 1-2), exposing a venal government and opposition. Both the Labor and Liberal parties have betrayed their supporters, not only in Ku-ring-gai but throughout Sydney.

The Labor Government's urban "planning" has achieved nothing but to make rich developers richer. The Liberal Opposition has done nothing except to malign, under parliamentary privilege, the opponents of unplanned development driven only by profit.

The result? Sydney is being turned into an overcrowded, stifling, treeless slum. Quality of life has gone. The Government's deliberate policy of allowing country centres to die makes things worse by encouraging an unnecessary drift to the big city. Why? It couldn't have anything to do with huge developer donations to the Labor and Liberal parties ... could it? You couldn't call that bribery ... could you? You couldn't say that makes a mockery of democracy ... could you?

Hugh Knox, Gordon

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