

**Submission
No 173**

INQUIRY INTO ELECTORAL AND POLITICAL PARTY FUNDING

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3 March 2008

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

Dear Ms Simpson,

Thank you for your letter dated 27 November 2007 inviting Council to contribute to the NSW Select Committee on Electoral and Political Party Funding. Bankstown City Council is pleased to be able to provide the attached submission for the Committee's consideration.

Further information regarding Council's submission may be obtained by contacting Council's Manager Strategy and Policy, Mr Geoff Barnden on (02) 9707-9615.

Council would be pleased to consider the recommendations of the Committee when its report is finalised and published.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Wayne Carter', written in a cursive style.

Wayne Carter
General Manager
Bankstown City Council

SUBMISSION

BANKSTOWN CITY COUNCIL

**SUBMISSION TO NSW LEGISLATIVE COUNCIL SELECT
COMMITTEE ON ELECTORAL AND POLITICAL PARTY
FUNDING**

Bankstown City Council welcomes the opportunity to provide the following submission to the NSW Legislative Council Select Committee on Electoral and Political Party Funding.

Council notes the Terms of Reference as outlined in the Discussion Paper, developed by the Committee for the Inquiry as follows:-

- (a) all matters associated with electoral funding and disclosure*
- (b) the advantages and disadvantages of banning all donations from corporations, unions and organisations to parties and candidates*
- (c) the advantages and disadvantages of introducing limits on expenditure in election campaigns*
- (d) the impact of political donations on the democratic process and*
- (e) any related matters.*

In reviewing the terms of reference, Council has considered the issues highlighted in the sections of the Discussion Paper relating to possible areas for reform, including *Election Funding Authority, Public funding, Political donations - amounts, Political donations- sources, Political donations - disclosure, Election expenditure - amounts and Election expenditure -disclosure.*

Matters associated with electoral funding and disclosure

NSW Election Funding Authority

Council notes that the NSW Election Funding Authority is responsible for administering the provisions of the NSW Election Funding Act 1981, in order to maintain the transparency of election campaign processes in New South Wales.

Council would like to emphasize the need for the NSW Election Authority to have the necessary resources to carry out this role effectively. It is important that the NSW government provides the necessary administrative resources to the Authority so that they can investigate significant irregularities in electoral expenditure and funding declarations. If these resources are not made available then the benefits to be gained from reforming the rules governing the declaration of election expenditure and funding will be limited.

Public Funding

Bankstown Council notes that public funding schemes for election campaigns currently exist only at the state and federal level. With this in mind, Council considers that comments in relation to the adequacy and effectiveness of current levels of public funding provided under the Election Funding Act 1981 will be received from state and federal government stakeholders and electoral participants.

Political Donations Disclosure

Council considers measures to improve disclosure of political donations, where introduced, should be consistent at Federal, State and Local levels of Government.

Disclosure of political donations is an important issue for local government. Council acknowledges that the purpose of the disclosure provisions in the NSW Election Funding Act 1981 Act are to enhance the integrity of the electoral process. Regarding the issue of disclosure, Council also notes the recommendations made by the

Independent Commission Against Corruption in their Position Paper, *Corruption risks in the NSW Development Approvals Processes* (released in September 2007).

Council considers that the Select Committee should carefully examine the following key recommendations made by the ICAC in their Position Paper, *Corruption risks in the NSW Development Approvals Processes*, relating to disclosure of political donations:

ICAC Recommendation 20: *That the Department of Local Government amend the Model Code to include clear instructions to councillors on the circumstances in which political donations will give rise to non-pecuniary conflicts of interest and how to manage such conflicts.*

Bankstown City Council has formally adopted its own Code of Conduct along the lines of the Model Code of Conduct for NSW Councils developed by the Department of Local Government (coming into effect in January 2005). However, Council notes that the only reference in the Model Code relating to the disclosure of conflict of interest states: “*matters before council involving campaign donors may give rise to a non-pecuniary conflict of interest.*”

Council notes the ICAC considers amendments to the model code would assist in providing councillors with greater certainty about how to manage the conflicts of interest that arise from political donations and would ensure uniformity in approach across NSW Councils. Council also endorses, in principle, a more transparent approach to political donations and supports the above recommendation made by ICAC, in relation to amending the Model Code of Conduct.

The Department of Local Government is currently in the process of reviewing the provisions of the Model Code, having written to councils in September 2006, requesting feedback.

ICAC Recommendation 21: That the Minister for Local Government introduce amendments to the Local Government Act to provide that a failure to declare a non-pecuniary interest relating to a political donation is a matter falling within the jurisdiction of the Pecuniary Interest and Disciplinary Tribunal.

ICAC Recommendation 22: That the Premier consider applying to NSW local government provisions similar to those applicable under the Local Government (Elections) Regulation 1997 (WA).

ICAC Recommendation 23: That the Premier consider amending the Election Funding Act 1981 to require persons submitting development applications or rezoning proposals to the Minister for Planning to declare any political donations they have made to the minister or to his or her political party.

ICAC Recommendation 24: That the Minister for Planning include, in the list of designated development, development in respect of which a declaration as to the making of a donation has been made.

Advantages and disadvantages of banning all donations from Corporations, unions and organisations to parties and candidates

Council notes the issues raised in the Select Committee's Discussion Paper in relation to the advantages and disadvantages of banning political donations from individuals, corporations, unions and organisations. Although Council is not proposing that political donations be banned, it should be noted that clarification by the Department of Local Government of their Model Code of Conduct in relation to improving disclosure requirements, will assist in adding greater transparency to the issue of donations made to parties and candidates.

Advantages and disadvantages of introducing limits on expenditure in election campaigns

Election Expenditure Amounts

Council notes that the Discussion Paper provides information about campaign expenditure limits and notes that this varies in different jurisdictions. Council recommends that the existing status quo be maintained in relation to the issue of limiting expenditure in election campaigns.

Impact of political donations on the democratic process and any related matters.

Political Donations Sources

Council notes the findings of the *Tweed Shire Council Public Inquiry* (released in May 2005), which notes some of the issues surrounding the acceptance of political donations from property developers at the local level. Council would also like to draw the Select Committee's attention to the recommendations made by ICAC in their Position Paper *Corruption risks in the NSW Development Approvals Processes*, and in particular the chapter entitled "Councillors and political donations" which specifically deals with the issues of political donations as a potential of non-pecuniary conflict of interest.