

**Submission  
No 131**

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

**Organisation:**

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Mr L F Reynolds

Dear Sir

I was just advised yesterday by my neighbour of your Inquiry. Because I feel strongly about the funding of political parties, and the influence large donors have over policy decisions made by our elected representatives, I am putting in this, last minute, brief submission.

I am concerned that the large political donors get preferential treatment by the Government of the day. Politicians must represent the wishes of the ordinary voters, not just the 'big end of town'. One could use the analogy of the sale of indulgences by the medieval church. (Do we need a reformation?)

There is no problem with self interest groups directly advertising in an election campaign (e.g. as was done by the unions in the recent federal election) since this is transparent and allows the public to make up their own mind.

Where there is a problem is when donations are made to a political party (e.g. for an election 'war chest') on the assumption that the money will allow preferential treatment. There are enough examples in the US of how money (often obscene amounts – 'I pay, I expect a return on my investment') distorts good policy. A good example in NSW would appear to be the preferential treatment given to property developers (Meriton, Mirvac) even in the face of consistent and widespread opposition from local communities. How much more public land can be sold off? One could also ask what influence petrol companies, car companies, tyre companies, and the big financiers (e.g. Macquarie Bank) have on our transport infrastructure and the lamentable lack of action on implementing light rail as a viable option. (There are many well documented examples in the US of where these groups killed off rail transport to favour the car, with obvious detrimental effects to cities and local communities).

We will never stop political donations from self seeking commercial interests, and their expectation that they will get some favourable treatment. What is needed is an open, transparent system. This will allow scrutiny ('keep the bastards honest') by groups, such as the media and community organisations, to highlight those conflicts of interest that will result in sub-optimal outcomes for the community.

Transparency in political donations is of critical importance in the lead up to an election. It is of little benefit listing donors six or 12 months after an election. What benefit is this to the electorate trying to make up their minds about competing policies, and which pressure group is going to gain an advantage?

Maybe the following might help in assisting scrutiny and reducing any undue influence.

1. All donations of more than \$2000 to be publicly declared.

2. The primary operations of the donor be identified (e.g. property developer, retailer, infrastructure financier). Holding companies or other artificial structures should not be allowed.
3. All donations be publicly listed on a website (e.g. [politicaldonations.org.au](http://politicaldonations.org.au)).
4. And, most importantly, donations **MUST** be listed within seven days of receipt by the political party.

Still, as a cynic, I hold no hope that any real improvement will be made!

Thanks for the opportunity to comment.

Fred Reynolds