

News and Features

lemma plan to ban political donations

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POLITICAL donations could be banned in NSW and replaced by public funding of election campaigns to dispel public perceptions that giving money buys access and influence.

The suggestion by the Premier, Morris lemma, shows how deeply the Government has been hurt by the fall-out from the Wollongong bribery scandal and a series of Herald reports on the extent of donations from developers and hotels.

Mr lemma has asked the ALP general secretary, Karl Bitar, to consult the other parties to gauge support. The ban would be unprecedented in Australian politics.

"My view is the time has come for us to now seriously consider moving away from donations and having a fully public-funded system," Mr lemma said in an interview with the Herald.

"It's now got to the point the mere fact of giving a donation creates the perception that something has been done wrong. The time has come to test the viability of a full public system.

"There's no example of a minister or MP who has done anything wrong, but there is a perception as far as donations are concerned and the time has come to go further in the reforms."

Last month he backed away from suggestions he would ban donations from developers, but said he would force them to disclose what they had given when they lodged development applications. He said political donations would be disclosed every six months instead of every four years and all donations would be handled by central party offices. Individual MPs would not be allowed to accept them.

The Premier is now considering banning donations altogether and said it was something he had been reviewing over the past few weeks.

The policy needed to be bipartisan for it to work, he said. Public funding for political parties for the 2007 state election campaign was

\$18 million. Labor received \$24 million in donations before the election, and the Liberal Party \$13 million.

Mr lemma's suggestion follows revelations about donations to Labor from developers caught up in the Independent Commission Against Corruption inquiry into Wollongong Council. Separately, the Minister for Planning, Frank Sartor, was accused of asking a development company to book a table at a fund-raiser he organised. Mr Sartor has said he could not recall the conversation. The commission examined the matter and decided not to investigate.

Mr lemma said he wanted to "kill that perception ... that you can buy influence". "What I want to do is subject now to serious analysis - a proposal, a model, of full public funding," he said.

The Herald has obtained a copy of Mr Bitar's submission to the upper house inquiry on donations. It says: "This supplementary submission by NSW Labor advocates a ban on all private donations to political parties in favour of a system of full public funding. This overhaul of the existing system of funding and disclosure would help restore the public's faith in political decision making. The Premier has asked me to initiate discussions with other parties to progress this." Mr Bitar said private donations accounted for an estimated 60 to 70 per cent of the income for major parties.

"It is an unfortunate reality that party officials and MPs must dedicate a considerable amount of their time to fund-raising efforts," he said. "This is time which could be better spent promoting progressive policies and advocating on behalf of constituents."

The State Government has argued for the past few years that change to the system of political donations would have to start at federal level.

Mr lemma said NSW was the first state to introduce public funding and disclosure for election campaigns, in 1981.

One sticking point in negotiations would be how much each party and independents would receive. At present, public funding is determined by the number of votes candidates received at the previous election