

17 September 2014

Dr Kerry Schott
Chair
Expert Panel on Political Donations
GPO Box 5341
SYDNEY NSW 2001

Email: donationsreform@dpc.nsw.gov.au

Dear Dr Schott,

Political Donations Reform: Submission to Expert Panel

The Urban Taskforce is pleased to make this submission to the Expert Panel on Political Donations as part of its investigation into political donations reform. The Urban Taskforce supports this investigation as an important step to re-establish community confidence in the political system. The community's attitude towards politics and political decision making is poor and the current system of funding political campaigns must be fundamentally changed.

There is a strong public feeling that the political system must not only be free of any actual corruption but must be free from any perception of financial influence. The Urban Taskforce is of the firm view that it is time to end the practice of funding Federal, State and local election campaigns by political donations.

As an industry, we recognise that political donations should not influence government decision-making. However, the wider community's confidence in the political system is undermined by the dependence of that system on financial contributions from the private sector.

The Urban Taskforce position is simple, and we have had the same position since 2004 – we advocate a complete national blanket ban on political donations from anyone—corporations or individuals. Such a ban would include developers, lawyers, doctors, trade unions, miners, tobacco companies or environmentalists.

However, as we have previously submitted to Government, this kind of change must be accompanied by substantial additional public funding. That is, the taxpayer should meet all of the costs of election campaigns. Funding should be allocated to political parties in line with their share of the vote. Only a radical measure like this will ensure that the system is once and for all free from any perception of financial influence.

Notwithstanding the above, we highlight that the current ban on donations from developers is not an equitable solution. A ban on donations from developers alone is logically flawed and very difficult to implement.

Government decision-making is crucial to a whole range of industries, not just property development. The same perception problems and corruption risks exist in relation to government tender processes, licensing decisions, liquor and gaming approvals, government grants and board appointments, to name a few. All of these areas of government decision-making have at one time or another been criticised because of political donations that have been made prior to a given decision. Therefore a ban on only developer donations will be seen by the public as an inadequate solution to a much broader issue of inappropriate influence over the political decision making process.

Furthermore, a ban on developer donations if properly implemented would amount to a near blanket ban on corporate donations and would also prevent a large number of individuals from

donating. That is because a very wide spectrum of people and companies are involved in property development. For instance, if a developer is someone who gains income from the development of land, any company with significant landholdings can be regarded as a developer. At some time or another banks, television networks, breweries, manufacturers, retailers, fast food chains, all need to sell and acquire land. Some choose to develop themselves; others enter into joint-venture arrangements with full-time property developers and others give a full-time developer an option on their land, which will result in the land's purchase if the developer successfully secures a development approval. In these situations these businesses earn income from property development, but would unlikely consider themselves as developers. It is for this reason that a narrow definition of "property developer" for the purposes of any ban would be difficult to properly implement. The alternative would be to introduce a very broad definition of "developer" for a ban to be effective, which would be almost the same as banning most major Australian companies as donors to political parties.

For these reason alone we advocate for a complete blanket ban on political donations as an equitable and enforceable means of bring community confidence back to the Government decision making process.

I would welcome the opportunity to address the Expert Panel when appropriate.

Yours sincerely
Urban Taskforce Australia

A handwritten signature in blue ink, appearing to read 'Chris Johnson', with a long horizontal flourish extending to the right.

Chris Johnson AM
Chief Executive Officer